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Editorial AS WE SEE IT

After a vigorous "viewing with alarm" the President in his State of the Union message said: "But today were I to offer—after little more than a week in office—detailed legislation to remedy every national ill, the Congress would rightly wonder whether the desire for speed had replaced the duty of responsibility." We are certain in our own minds that not only Congress, but the vast majority of the citizens of the United States would have looked askance and strangely upon any such cure-all set of legislative proposals even if the President had been in office six months or a year rather than a mere week. The truth is, as the President should well know, that many of the "problems" and the ills of this or any other nation are simply not amenable to legislation of any sort. It is something, however, that the Chief Executive—rather inclined, we are afraid to rashness—seemed to understand that haste may well make waste in matters such as these.

Unfortunately, three days later the President appears to have forgotten his own excellent precept, when in his message on economic recovery and growth he speaks of "realistic aims for 1961," and proceeds to propose "measures both to alleviate the distress arising from unsatisfactory performance of the economy and to stimulate economic recovery and growth." Certain of the measures included in his list may well in a measure "alleviate distress"—from whatever cause arising—but none of them nor all of them together can be regarded as a major factor in the future rate of growth or for that matter probably in the rate of recovery. Some of them will obviously not have much effect of any sort for a good while to come. Evidently the Presidential advisers did not think the situation through very carefully before the program was formulated.

Strains Credulity

It strains credulity too far to believe that the economists who now surround the President do not clearly understand the limitations inher- *(Continued on page 26)*

Why Foreigners Want Gold and What We Should Do About It

By William Chamberlain, *Former President, United Light & Power Co., Saratoga, California*

Looking back at what he wrote five and a half years ago, Mr. Chamberlain finds nothing has occurred to alter his convictions—if anything they were strengthened—as to what would follow when we changed our monetary system 26 years ago. Today's article takes up the reasons for and cure of our gold-outflow problem; terms irredeemable money the "prolific mother of fiscal excesses"; credits exercise of gold discipline left to foreign central banks and governments for sounding the alarm; and hopes we will have the courage to take appropriate action to allay foreign fears about our dollar.

In my article in the Aug. 18, 1955 issue of the *Chronicle*, respecting the future of the dollar, irredeemable at home but convertible into gold upon demand of foreign Central Banks and Governments, I expressed the belief that it would continue to depreciate in purchasing power until the disastrous consequences attendant upon the emission of such money by governments bore so heavily upon the masses that remedial action became imperative. I suggested that irredeemable paper money; a money limitless in supply and negligible in cost of production; possessing value only insofar as the naked fiat of government can give value to an otherwise valueless thing, is a prolific mother of fiscal excesses. That the nature of man and of elective governments and of persons seeking or clinging to public office together with the uninformed minds of the masses makes it so. I pointed out that vast and often wasteful public expenditures and projects become established fixtures in the economic fabric of a country; that these directly affect the lives and livelihood of millions of persons and their discontinuance becomes politically impossible. In support of this conviction I cited the abundant lessons of history including those of our own since we were launched upon a paper money economy now 26 years ago. I need not repeat them. In the five years that have passed since the writing of the article nothing has occurred to weaken that conviction. Much has happened to strengthen it.


William Chamberlain

I now direct my attention to the recent abnormal foreign demand for conversion of our paper dollars into gold and one may wonder what is to be expected respecting continuance of this demand and the probable effect of such continuance.

Dangers of Gold Loss

The ill effects of the loss of the Treasury gold will not immediately be apparent to the great mass of the American people. For this reason it seems unlikely that any early reaction of importance can be expected from that quarter. But it admits of little doubt that if not soon halted the loss of the nation's gold at the present rate must either have a potent and perhaps determining factor in forcing return to some substantial measure of fiscal sobriety on the part of our government or greatly impair, if not destroy, international confidence in the dollar. This is because gold as an instrumentality of international trade is essential in time of peace and indispensable in time of war.

A government without an adequate reserve of gold stands in the eyes of the world as a weak government; its currency as a weak currency; and its war-making potential seriously impaired by inability to pay for and secure necessary military supplies not produced at home. To permit an adequate gold reserve in hand to pass to foreigners in conversion of its paper currency would be to court commercial and military disaster. For a people knowing itself *(Continued on page 25)*

PICTURES IN THIS ISSUE—Candid photos taken at the annual Mid-winter Dinner of the SECURITY TRADERS ASSOCIATION OF CHICAGO, INC., appear in today's Pictorial Section.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

EUGENE F. GERWE
Research Department, Quail & Co., Inc., Davenport, Iowa
Members: New York Stock Exchange, American Stock Exchange, Midwest Stock Exchange

Republic Corp.

In the past 18 months, much more than just the name of the old REPUBLIC PICTURES CORP. has been changed. Since mid-1959 annual management expenses have been reduced 43%, all divisions have been brought to a profitable basis (7 of the 10 divisions had been operating at a loss), and common stockholders are now receiving quarterly cash dividends for the first time in 33 years. The reason for this progress can be traced to the Summer of 1959 when Victor M. Carter assumed control after he and his associates acquired 550,000 shares of Republic common from the former President at a price of $10 per share.

Eugene F. Gerwe

Victor Carter has an impressive record of business accomplishments. In the mid-1940's he acquired control of the nearly bankrupt Builder's Emporium, a retail hardware outlet in Los Angeles, and built it into a solid business. He founded the Vimcar Sales Corp. in 1945, building it into an organization with $18 million sales before selling it to his employees. Mr. Carter's personal holdings in Republic are: 315,000 shares of common, 30,000 shares of preferred, and $1,264,000 of the company's debentures; a total investment of approximately $4 million.

Earnings in the fiscal year ended Oct. 29, 1960 advanced to record levels around 90c per share, up sharply from 24c in fiscal 1959 on revenues derived from: Plastics Molding (25%), Film Processing (35%), TV Film Distribution (25%), and Studio Rentals (15%). Moreover, on the basis of these activities alone, management estimates a further gain in 1961 profits to approximately $1.25 per share, some 40% above 1960 levels.

All divisions are participating in these gains. The plastics subsidiary, Consolidated Molded Products Corp., is believed to rank among the top 5 U. S. plastic molders in terms of sales and first in terms of profit margins. The subsidiary is presently one of the few major fabricators of duPont's highly versatile plastic, DELRIN, and, early in 1960, achieved a major breakthrough in the automotive industry by undertaking the production of dashboard instrument clusters of DELRIN for Chrysler's 1961 Valiant. Consolidated was recently advised that they can expect substantial volume from IBM's San Jose plant if they build or acquire a West Coast facility. They plan to be strongly represented on the West Coast in the relatively near future.

The Consolidated Film Industries Division processes TV, theatrical motion picture, industrial, and educational film through a Hollywood laboratory and two Eastern laboratories. The Hollywood laboratory has been consistently profitable; the Eastern laboratories were losing money in July 1959 but are now contributing to profits at approximately a $500,000 pretax annual rate and steadily improving.

Revenues from TV film distribution are derived largely through contracts with independent TV stations for REPUBLIC's 850 major-film library. The company now has almost $2.5 million in non-cancellable contracts and expects to build this up to around $15 million over the next 5 years. Most of this increased volume should show up as profit since the cost of the films has largely been written off.

About 40 acres of Republic's 70-acre North Hollywood Studios is under license to motion picture and TV film producers. This subsidiary shows every indication of becoming increasingly profitable and has recently completed a new sound stage to handle increasing productions. The remaining 30 acres of studio property is undeveloped and reportedly has been appraised at approximately $4 million. Republic is presently conducting use studies on the property for possible development for office buildings, apartments, or an industrial site. The company has no intention of resuming motion picture production.

In sound financial condition, Republic now intends to actively pursue an acquisition program with the intention of exploring the fields of space-age technology and electronics. The company expects that any acquisition will add to, rather than dilute, present per share earnings.

REPUBLIC CORP. Common is traded on the New York and Pacific Coast Stock Exchanges and is suitable for individuals seeking speculative capital gain.

ROBIN L. WINKLER
Partner, Bernard, Winkler & Co. New York City
Members New York Stock Exchange

Nissen Trampoline Co.

As a result of numerous reports critical of the physical fitness of the American people, the public has become increasingly conscious of the necessity of exercise. Former President Eisenhower appointed a commission to inquire into the physical well-being of our citizenry and President Kennedy, in a national magazine, called for more rigorous exercise to revitalize the American public. The tremendous rise in our school population, coupled with increasing leisure activity, indicates that Americans will be making more and more use of sporting and gymnastic equipment. The common stock of Nissen Trampoline Company, the major manufacturer of rebound tumbling equipment as well as the leading factor in the production of gymnastic equipment, represents an attractive vehicle for capital appreciation and is my candidate for "The Security I Like Best."

Robin L. Winkler

The company was formed in 1938 by George Nissen in Cedar Rapids, Iowa. Incorporated under the laws of Iowa in 1946, the company sold 85,000 shares of common stock to the public through the firm of Jessup & Lamont in November 1960 at $9 per share. Since that time the price range in the Over-the-Counter Market has been between 11 and 14.

For years, circus and vaudeville acts featured rebound tumbling acts. More recently this sport has moved from the stage and circus ring to the school and college gymnasium and today is recognized as an athletic event by the Amateur Athletic Union. Nissen Trampoline produces about 50% of all rebound tumbling equipment and its products are in use in more than 5,000 educational institutions in the United States. The interest generated by the "Trampoline" in institutions caused the introduction of the sport to the general public through "Trampoline" centers, now numbering more than 1,000 in this country, almost 700 of which have the Nissen product.

The phenomenal rise in demand for Trampolines caused the company to expand its facilities. In October, 1960, the company completed construction of a new plant on an 11-acre tract containing 80,000 square feet. At about the same time, in pursuit of the novel and imaginative concept of the packaged gymnasium, the company acquired the Fred Medart Manufacturing Company of St. Louis, Missouri, one of the principal manufacturers of a full line of gymnastic equipment in the United States.

The products of the company, as a result of the acquisition, include, in addition to the rebound tumbling equipment, parallel bars, climbing poles and ropes, mats, wall padding and other gymnastic accoutrements. Everything will be produced at the new plant, but the full line will not be a major factor in sales until late this year as a result of the transporting of Medart's facilities from St. Louis during the latter part of 1960.

The Bureau of Census has estimated that the American population in the age group between 5 and 24 will rise from approximately 61 million in 1960 to 71.7 million in 1965 and to 89 million in 1970. These rather staggering statistics indicate a tremendous school construction program. The construction of schools means gymnasiums and it is from this source that Nissen Trampoline will have a continuing foundation for a sales base. Should the "Trampoline" centers prove a fad, and there are some who have compared this fad to that of bowling, the growth for the company is still a very strong feature. And, of course, should the "Trampoline" prove to be another "bowling", it would appear that Nissen will be a most dynamic growth stock.

A growth company has been loosely described as one whose sales increase far more rapidly than the national average. During the recent Presidential campaign there was considerable discussion as to whether the United States was growing fast enough. Some suggested that an overall increase in the economy of some 5% would be most desirable. An examination of Nissen's record since 1956 illustrates the pattern of growth

Continued on page 11

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

Republic Corp.—Eugene F. Gerwe, Research Department, Quail & Co., Inc., Davenport, Iowa. (Page 2)

Nissen Trampoline Co.—Robin L. Winkler, Partner, Bernard, Winkler & Co., New York City. (Page 2)

Endless Search for Value as Distinguished From Price

By John L. Rowe,* Vice-President, Parker, Ford & Company, Inc., Tulsa, Oklahoma

Panoramic review of past and present events affecting the stock market, replete with names of issues to illustrate points made, is provided by Midwest investment banker. Particularly stressed is our propensity for inflationary measures, startling new scientific possibilities, industries resistant to profit squeeze, and other developments making the endless search for value, as distinguished from price, even more rewarding than in recent years. Mr. Rowe reviews factors presaging a buoyant stock market for most of the first half-year, and he doubts our generation will accept gracefully the austerity required to arrest inflationary pressures.

In last year's forecast for *The Commercial and Financial Chronicle*, the Turbulent Sixties was introduced. This connotation was selected because of the similarity in economic treatment accorded the Roaring Twenties (1922-1930) and the Fabulous Fifties (1952-1960).

John L. Rowe

The Roaring Twenties are identified with Presidents Coolidge and Hoover. In that era the evidence indicates our White House leadership, our business community and press were seemingly harmonious. During the Fabulous Fifties, does anyone believe our White House leadership, business community and press were at odds? Were we ever reminded of the Republican platform of 1952 or 1956 which solemnly promised Federal debt reduction and balanced budgets? At the fiscal level, what happened?

On every front the executive branch set records. We say "executive" because the White House, not Congress, controls the purse strings. Federal debt climbed almost continuously to new high ground. The statutory debt ceiling was violated five times—a peacetime record. We witnessed the largest peacetime deficit in our fiscal history. The 1958 deficit exceeded every peacetime record by a wide margin. Excluding defense and foreign aid, the cost of government climbed 80% in seven years — another record. Where is the analogy between these two Republican eras—the Roaring Twenties and Fabulous Fifties?

In the Roaring Twenties our inflation was promoted via unbridled pyramiding of private debt. With foreign dollar bonds carrying 6% to 8% coupons, the ubiquitous bond salesman was everywhere. Wall Street loans to brokers and others went skyward. Commodity prices were deflated and since labor was virtually unorganized, the wage level remained almost constant. The market place was dominated by the entrepreneur. By 1929 most Americans were out on a limb. Yet throughout this financial orgy our Federal bonds and the dollar were as solid as the Rock of Gibraltar.

In the Fabulous Fifties, inflation was promoted via the pyramiding and monetization of Federal debt. As a result, Uncle Sam is this time out on the limb. Massive foreign aid, plus subsidies, has resulted in a cumulative gold deficit of around $22 billion for the decade 1950-1960. We see this deficit in the bullion shipments ($5 billion so far), plus the continuous earmarking of domestic gold owed foreign accounts. Earmarked gold presently is around $13 billion. Because gold could play a prominent role in President Kennedy's New Frontier, a brief review of recent fiscal policy in relation to gold seems appropriate.

From Gold to Debt

Until 1933, when President Roosevelt called in all gold and embargoed gold from going abroad, our Republic was on a gold currency standard. American money and bonds were redeemable in gold on demand at a stated amount. Today our Republic is on an international gold bullion standard. Gold is shipped exclusively abroad or earmarked here and held by us in custody to settle trade and tourist accounts between ourselves and the 67 nations adhering to capitalistic standards. Sanctioned by the Congress in 1933, President Roosevelt seized the gold of the Federal Reserve Banks. He commanded American citizens to surrender their coins or bars and repudiated the gold clause in government obligations and currency. In 1934, the American dollar was officially devalued. By executive action and sanctioned by Congress, Uncle Sam's buying price for gold was lifted from $20.67 to $35 per ounce.

Any investigation of today's economics should take note that the fundamentals of this controversial science have been redically changed in recent years. Arguments related to national wealth or to corporate book values are vapid. It is the taxable income generated by the citizenry or the corporations which is now emphasized. Reference is made to national product or national income, whichever be your preference. With our total internal debt probably exceeding $1 trillion, the existing problem is to create values from ink to balance the mounting debts created from ink. Inflation is the accepted means to assist individuals and governments to work out from under their pressing load of indebtedness. This inflation assignment should

Continued on page 22

CONTENTS

Articles and News Page

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OBSERVATIONS...

BY A. WILFRED MAY

MR. KENNEDY'S WINDFALL TO THE MARKET RATIONALIZERS

The three major messages from President Kennedy during the past week have provided a windfall of unusually choice fodder for the ever-present *selective* and *double-talking* market commentary (i.e., "selecting" the particular news items, and interpreting the same item in successively contradictory ways, to justify the market's preceding behavior).

With the divergence between the market's course and the economic events again decisive over the past four months, the "explanatory" bits supplied by the incoming President's utterances have been particularly welcome to the daily and weekly market "historians."

Such current exploitation from "the Summit" is specifically exemplified by the following:

(1) Re Monday, Jan. 30th's sharply *rising* market, occurring after the President's State of the Union Message. The explanation offered by a leading periodical's market reporter: "A feeling that defense and missile shares would benefit directly from the President's announced program; with its inflationary implications also helping the general market."

N. B.: The President's accompanying emphatic and full citation of severe economic trouble-spots, with his conclusion that business will get worse before it gets better, was completely ignored by the explain-ers in deference to the market's rise.

(2) Re the *declining* market on the following day (Tuesday, Jan. 31). The same author reported the Street's "explanation" that "the public might have been overbullish the day before because of the too-condensed summarizations of President Kennedy's State of the Union Message . . . they began to wonder if they had not bought too soon." (In fairness, we are glad to report the isolated rejoinder by one broker that this view was ridiculous, wisely adding "we are in an advanced stage of distribution in which the public won't believe the bad news it hears.")

(3) Re the *rises* on each of the two following days (Wednesday and Thursday, Feb. 1 and 2). This market strength again forced the interpreters to "reverse their field" in news item *selection:* "The broad strength of the recent market, together with good(?) buying apparently in evidence, indicates that there is a general feeling of good recovery in the air." And also reversing themselves in double-interpretation of a single item, the commentators on both days cited the bullish impact of that old "inflation" war-horse.

(4) Re the *sliding* market of Friday (Feb. 3.) Explained by the "professionals suddenly becoming wary and dubious, after all, of the stimulus to come from the New Frontier-ism. To assume that the over-all effect will be unqualifiedly favorable seems premature, and any initial improvement seems largely discounted."

(5) Re the substantially *falling* markets of Monday and Tuesday (Feb. 6 and 7). Explained by reversals on individual items, as the "bearish" nature of the President's new statement on gold (contrasted with the previous *bullish* reactions to the President's same statements on the question). Also via reversal on *selected* items, as the suddenly remembered *seasonal* factor of February usually being a month of market decline.

The Gold Foil

Probably the most useful foil to serve market explanations are the President's statements on gold-and-devaluation policy. Mr. Kennedy has made three important pronouncements of his maintenance, and without dollar devaluation of gold—on Oct. 31 last; again in his State of the Union Message on Jan. 30; and in his message this week on U. S. Balance of Payments and Gold. The first two occasions were followed by substantial market *rises*, on the theory of promoting "soundness and confidence." But, contrastingly, on the later occasion this week; a market *decline* ensued on the professed theory of gold-defense being deflationary.

In any event, and irrespective of our above-cited double-talk demonstrations, the commentators unceasingly persist with the absurd basic fallacy that the market's fluctuations are geared, via a betting-like process, to changes in business and the economy.

Longer-Term Imagery

Gilding the lily thus is the bit of super-rationalization from an otherwise most sound head of a leading brokerage firm:

"The stock market's strength quite clearly anticipates an early improvement in business; an improvement that may already be *getting underway some distance below the visible surface.*"

NEW CURB ON REALTY SYNDICATION

The newly initiated intra-State regulation of New York's billion dollar *syndicated* real estate industry (through the generally-called Madonick Act, after the Assistant Attorney General) is commendable as to purpose.

However, it would seem to highlight once more, as with our Federal regulation via the SEC (and as realized abroad), the difficulty of preventing the public's impression that "governmental" *quality* judgment, if not actual guaranty, accompanies *disclosure* enforcement. We are skeptical of the success of the efforts to eliminate this, even as most zealously exerted by both the statute and Attorney General Lefkowitz. The Act (sec. 4) states that all selling literature, including advertising, shall include ". . . a statement that the filing of an offering statement or prospectus . . . does not constitute approval of the issue or the sale thereof by the Department of Law or the Attorney General of this State."

That Tough "Government Guaranty" Problem

We believe that the problem will be even more difficult here than with the SEC (whose disclaiming of responsibility, as we have pointed out in recent columns, has not been too successful). In the first place, the printed disclaimer represents a dilution of the Federal Securities Act's prospectus provision that the legend must include the words to follow the denial of SEC approval: "Nor has the Commission passed upon the accuracy or adequacy of this prospectus. Any presentation to the contrary is a criminal offense."

In addition to the State's watering-down of the wording, as quoted above, requirements regarding the typography merely provides "easily readable print." The current prospectuses and advertising coming to our notice have at best just "come under the wire."

The SEC's rule, which doesn't even do the trick, specifically orders that its prescribed legend "appear on the outside cover page in capital letters printed in bold-face Roman type, at least as large as 10-point."

Far more important in furthering the *approval* illusion, is the unusual set-up of the State's regulatory efforts. We refer to both the *administration* and *enforcement* of the law being in the same place. While this is legally permissible, it seems morally questionable (as as Kangaroo Court). In most existing "Blue Sky" legislation, it has been found constructive to have the administrative body outside the politically-colored domain of the State's law-enforcement official. But, far more important is such double-functioning's impact on the *governmental approval* problem. For example, the prospective investor will be impressed wrongly by the Statute's conferring on the Attorney General wide power to prescribe—and rescind—on his own responsibility, rules, regulations, and prospectus-filing procedures.

Also materially raising the public's misconception regarding the Attorney General's limitation of power, has been the performance during the first months of the Act's life. Functioning without promulgated rules, the Attorney General is publicizing his turndown during January of $25 million of "filing" applications (one-eighth of the total submitted).

Further giving the public the impression of his broad powers, is the Attorney General's statement in a press conference, as also publicized in a release on Feb. 3, that he "is authorized to *stop fraudulent practices* in the offering and sale of all real estate syndication securities."

The investor will be pardoned for not recognizing the "narrow" powers of the administrators, and their segregation from the enforcement activities.

Obscurity Regarding Income The 'Distribution' Camouflage

The lay investor will also be misled about the authorities' interpretation of its prescribed obligations. For example there is the Act's prescription for the prospectus to contain information to "clearly distinguish between those portions of promised distributions which are income and those which are a return of principal and capital." Yet one prospectus in our hands, employed by prominent interests, mentions in large type on the cover, "*Anticipated Distribution—11% per year (payable monthly)*"; and a current advertisement is boldly captioned, "*A diversified Real Estate Investment that returns 12% now! Anticipated annual distributions.*"

And it must be realized that misrepresentation in the literature is further buttressed, and extended, by the uncontrolled verbal claims by the securities salesmen.

We suggest tnat a joint industry-government code, as with the mutual funds' *STATEMENT OF POLICY*, could also lessen some of the promotional abuses in this area.

* * *

This new legislation, of course, does not touch on the inflation existing in the realty syndicate securities markets, as derived from permitted re-depreciation at ascending cost levels. But it is important, and particularly so with the interest now stirred up by the Landis Report to Mr. Kennedy on the future of the regulatory agencies.

Moreover, as will be announced later this week, legislative approval will be sought by Assemblyman Savarese in Albany of five bills designed to remove existing statutory "obstacles" to the operation in New York State of "real estate investment trusts."

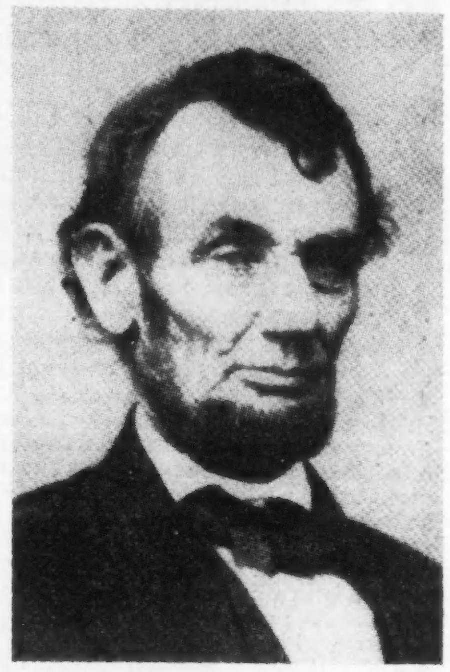
O'Rourke Installs Wire to Strauss

CHICAGO,, Ill.—J. P. O'Rourke & Co., Board of Trade Building, has installed a direct private wire to J. S. Strauss & Co., San Francisco.

E. G. Nichols Co. Opens

HOUSTON, Texas — Edward G. Nichols is conducting a securities business from offices at 1911 South Shephard Drive under the firm name of Edward G. Nichols & Co.

Property Rights



"Property is the fruit of labor;
property is desirable:
It is a positive good in the world.
That some should be rich shows
that others may become rich,
and hence is just encouragement to industry and enterprise.
Let not him who is houseless
pull down the house of another,
but let him work diligently
and build one for himself,
Thus by example assuring
that his own shall be safe
from violence when built."

—ABRAHAM LINCOLN
March 31, 1864

Norman Adams Joins Keon & Co.

LOS ANGELES, Calif. — Norman Adams is now associated with Keon & Co., 618 South Spring Street, members of the Pacific Coast Stock Exchange, as director of research. Mr. Adams was formerly associated with Arthur B. Hogan Inc.

With Eastman Dillon

(Special to THE FINANCIAL CHRONICLE)

TOLEDO, Ohio—Bertha D. Johnson has become associated with Eastman Dillon, Union Securities & Co. Mrs. Johnson was formerly with Collin, Norton & Company.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The ninth annual issue of Harris Trust and Savings Bank's *Business and Money — Review and Outlook* was issued recently. Prepared in the Chicago bank's financial and economic research department, the paper is signed by Beryl W. Sprinkel, Vice-President and economist.

The summary section of the 23-page report lists 1961 as a year promising recovery. Looking ahead, the *Outlook* says that "Total business activity is expected to recede moderately early in the year but a recovery is projected for the last half with new highs projected before yearend. A rise in consumer outlays, government spending, outlays on housing, and a shift toward inventory accumulation will spur the recovery.

"Gross national product will run about $509 billion this year —up slightly over 1%. Consumer spending is projected up moderately to a new high of $333 billion. Gross private domestic investment is projected down 10% despite a modest rise in outlays on housing. In the latter part of the year an improvement in trend is expected.

"Industrial production is slated for a modest decline for the year even though a recovery is probable in the last half. Unemployment is likely to rise to near six million persons early this year and decline only moderately later in the year.

"Net farm income is expected to remain near its current level through most of 1961 with a possible decline in the fall as meat prices dip.

Interest rates are expected to follow the trend of the general economy. It is likely that the 1961 low in rates will be reached in nearby months.

"Although economic recovery with attendant higher short-term interest rates may slow the gold flow, more fundamental correctives are necessary to eliminate the basic deficit. Assuming the United States continues to encourage free multilateral trade, higher exports provide the best hope for reducing our foreign trade deficit. Because of our large gold stock, further modest deficits can be safely financed. However, if efforts to reduce the deficit fail, serious consideration should be given to permitting more sensitive determination of exchange rates.

"The current recession has not dimmed growth prospects for the 1960's.

"Even though occasional recessions are probable, better economic knowledge, policy tools and political determination promise assurance of high utilization of labor and capital. Labor force annual growth rates in the 1960's are likely to be 1.7% compared to only 1% in the 1950's—70% higher. Tax reform to increase incentives for investment in human and capital resources should receive high priority."

Bank Clearings for Feb. 4 Week 11.6% Above 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Feb. 4, clearings from all cities of the United States from which it was possible to obtain weekly clearings was 11.6% above those of the corresponding week last year. Our preliminary totals stand at $30,259,-639,592 against $27,113,260,227 for the same week in 1960. Our comparative summary for the leading money centers for week ending February 4 were as follows (000's omitted):

	1961	1960	%
New York	$17,861,050	$14,673,604	+21.7
Chicago	1,311,870	1,321,648	— 0.7
Philadelphia	1,102,000	1,097,000	+ 0.5
Boston	822,482	755,250	+ 6.1

"Iron Age" Sees No Pickup Without Automotive Steel Orders

It is unlikely the steel market will show any sustained improvement without a pickup in automotive steel orders, *The Iron Age* reports. And at this time, this needed stimulant looks doubtful.

The magazine calls attention to current layoffs among the major automakers, disappointing orders for automotive steel for this time of the year, creeping inventories of unsold cars, and general business pessimism.

Added to the gloomy auto outlook is the seige of below normal temperatures and abnormal snowfall throughout much of the industrial East and Midwest. The weather has cut into sales of durable goods, particularly cars and major appliances, and slowed construction projects.

The Iron Age says the severe weather is having a much greater effect on overall business and the steel industry than is generally believed. Because of the bad weather, steel operations this week will be well below normal, even considering the low rate of new orders.

Outside of disappointing automotive steel orders, miscellaneous business continues to show some improvement. The end of inventory liquidation is helping bring new orders up to the rate of steel consumption. However, there is little evidence of inventory build-up and some steel users are still trying to cut stocks to the minimum.

The magazine cites these reports from Detroit to show automotive steel sentiment:

March may be the low shipment month to automakers this year, on the basis of current orders.

One company, deep in automotive business, reports February is shaping up about the same as December. This means it will reflect a moderate decline from January.

Automakers and auto parts suppliers are the leaders in trying to obtain price concessions. But the industry is still holding and there is no sign now of a break in the price front.

In January, car production hit 414,000, compared with 688,000 for that month in 1960. Even so, the month added some 34,000 cars to inventories, bringing unsold cars over the one million mark again.

Original plans called for 430,000 cars to be produced in February, but output could well drop below 400,000 on the basis of current business.

Survey Shows Signs of End to Reduction of Metal Inventories

Reduction of metal inventories has apparently ended, *Steel*, the metalworking magazine, reported.

For the first time in a year, its quarterly survey of metals buyers shows an increase in the number of purchasing agents reporting inventory building plans. And the number expecting further reductions fell to the lowest level in a year.

Two-thirds of the buyers of ferrous and nonferrous mill products plan to stand pat during the next three months. But overstocks, still plaguing 16% of the respondents, are at the lowest point since strikebound 1959 and early 1960.

The metalworking publication believes that while no strong resurgence in buying is indicated, the turning of that corner may not be far off.

It looks for the steel market to continue its sidewise movement with small week-to-week fluctuations until March when seasonal factors assert themselves.

Better weather will stimulate building, work on farms, and railroad track maintenance. And any expansion in construction will accelerate demand for steel in a variety of end products such as pipe, hardware, and household appliances.

Sales executives who ten days ago were talking hopefully about small gains in February have changed their tune. Now they are wondering whether they will ship as much metal this month as they did in January. They are uncertain because:

(1) Some products that seemed to be on the upswing in early January have suffered reversals.

(2) Buyers, ignoring traditional leadtimes, are ordering at the last minute.

(3) Moderate gains in nonautomotive markets are being offset by requests from carbuilders that part of February shipments from mills be held until March.

The most encouraging thing that most observers can point to is the continued depletion of inventories. It is obvious from the large proportion of inquiries and orders specifying spot delivery that many users have reduced stocks to a minimum.

District market reports to *Steel* indicate operations are likely to sag slightly this week. If that happens, it will mark the third straight weekly decline. *Steel* estimates output in the week ended Feb. 4 at 1,443,000 tons, down 1.2% from production in the week ended Jan. 28.

The scrap market is stronger. *Steel's* price composite on No. 1 heavy melting steel rose 67 cents to $32.67 a gross ton despite continued absence of large scale mill buying. Some market support still is being provided by exports.

The movement to ban use of imported steel in road building, started in the South some months ago, seems to be gaining ground, the magazine reported.

Alabama announced last week that only domestic steel and cement will be specified in contracts awarded by the state for road and bridge construction. Texas has banned the use of foreign steel in road construction since the first of the year.

Steel Production Data for the Week Ended Feb. 4

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960 over-all productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data:

Production for week ending Feb. 4, 1961 was 1,492,000 tons (*80.1%) a 1.4% gain over previous week's output of 1,466,000 tons (*78.7%).

Production this year through Feb. 4, amounted to 7,300,000 tons (*78.4%), or 46.2% below the 13,569,000 tons (*145.7%) in the period through Feb. 6, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended Feb. 4, 1961, as follows:

	*Index of Ingot Production for Week Ending Feb. 4, 1961
North East Coast	81
Buffalo	71
Pittsburgh	69
Youngstown	80
Cleveland	75
Detroit	93
Chicago	86
Cincinnati	86
St. Louis	86
Southern	78
Western	93
Total industry	80.1

*Index of production based on average weekly production for 1957-59.

Auto Industry Cuts Its February Output to 400,000 Cars

The auto industry has cut its February output target to 400,000 cars from 454,000 previously planned, *Ward's Automotive Reports* said.

January assemblies totaled 414,498 automobiles and February last year 659,322 units.

Ward's said that in effect February factory output will persist near the Jan. 19, 738-unit daily rate. If possible further adjustments are included, output will crowd the low 392,132 cars built in February of 1958.

The statistical service, however, said the worst of the worker layoff phase of the industry's adjustments apparently has passed.

Ward's said further layoffs are forthcoming but insofar as can be determined at four of the five major car builders they will not approach in severity those in the December-January transition period. The reporting service, however, predicted continued short work weeks and off-again, on-again plant downtime for February and probably again in March.

Ward's said more than 35,000 auto workers will be idled all of next week by plant shutdowns, including 2,300 at Plymouth in Delaware, 20,000 at American Motors Corp. in Wisconsin and 13,500 Ford Motor Co. workers at assembly plants in Dearborn, Kansas City and St. Louis plus the company's Cleveland and Lima (Ohio) engine plants.

Ward's said U. S. vehicle production totaled 102,383 cars and 22,895 trucks this week following 96,057 and 19,200 last week. Closed today was the Plymouth St. Louis plant, buried under eight inches of snow. Chevrolet also has a plant in that area.

In the same week of last year production totaled 164,027 cars and 28,733 trucks.

Scheduled to be idled week of Feb. 13 are Detroit area Plymouth and Dodge operations.

Electric Output 6.1% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Feb. 4, was estimated at 15,072,000,000 kwh., according to the Edison Electric Institute. Output was 289,000,000 kwh. below that of the previous week's total of 15,361,000,000 kwh. and showed a gain of 869,000,000 kwh., or 6.1% above that of the comparable 1960 week.

Freight Car Loadings for Jan. 28 Week Down 21.3% Below 1960 Week

Loadings of revenue freight in the week ended January 28, 1961, totaled 476,403 cars, the Association of American Railroads announced. This was a decrease of 128,643 cars or 21.3% below the corresponding week in 1960, and a decrease of 106,053 cars or 18.2% below the corresponding week in 1959.

Loadings in the week of Jan. 28, when severe cold and heavy snow continued to affect large areas, were 13,646 cars or 2.8% below the preceding week.

There were 9,363 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Jan. 21, 1961 (which were included in that week's over-all total). This was a decrease of 72 cars or 8/10s of 1% below the corresponding week of 1960 but an increase of 2,980 cars or 46.7% above the 1959 week.

Cumulative piggyback loadings for the first three weeks of 1961 totaled 28,197 for an increase of 171 cars or 6/10s of 1% above the corresponding period of 1960, and 9,166 cars or 48.2% above the corresponding period in 1959. There were 54 Class I U. S. railroad systems originating this type traffic in the current week com-

Continued on page 25

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The market for tax-exempt bonds has literally marked time this past week although *The Commercial and Financial Chronicle's* high grade bond Index shows an average market rise of about ¼ point. The Index went to a 3.24% basis from a 3.257% basis as reported a week ago. Since the Index is derived from actual secondary market offerings as shown in the *Blue List*, there is indicated a further mark-up in inventory, following the strong new issue biding that has prevailed particularly in recent weeks.

Good Technical Market

The technical position of the market has changed but little since last reporting, and if anything it may have improved somewhat. The new issue calendar is of very modest proportions totaling little more than $300,000,000 currently. The only sizable recent addition includes: $30,000,000 State of Alabama Education Authority (1962-1981) bonds for sale on Feb. 28; $20,850,000 State of New Jersey various general obligation bonds for sale March 7; $15,000,000 Denver, Colo. various general obligation bonds scheduled for March 7, and $11,400,000 Prince Georges County, Maryland bonds set for Feb. 28.

The general inventory situation continues favorable to the market also. The *Blue List* total, which is the most accurate tally relative to street float, is currently about $360,000,000 of state and municipal bonds. Moreover, the general level of the market *per se* seems favorable enough to sustain a normal supply of new issue financing.

Not All Rosy

However, these few simple municipal bond market factors cannot be relied upon as a basis for uninterrupted participation as an underwriter in the current bond market or, for that matter, as an indiscriminate investor. Already, several of our recent high grade flotations have floundered as prices have been pushed a little higher while the confusion of monetary, credit and political factors has tended to obscure a definite bond market trend.

It has been more apparent this week that the high yielding bonds of good grade meet with almost unanimous interest with investors while the so-called high grades with lesser tax-exempt yield fail to attract consistent general attention. As details of the President's program begin to unfold in more than general terms, the appetite of the market has been gradually assuaged, although not surfeited, due in part to policy contradictions that must be somehow resolved or at least clarified in order for a trend to be re-established.

Although the President's generalities on interest rates have been disturbing to investors, and have evoked much financial and editorial comment, it seems apparent that the bond market's favorable technical factors will sustain the market in the absence of heavy volume or serious political eventualities.

Toll Bonds Strong

The dollar quoted toll road and other revenue supported issues continue to do better than the tax-exempt bond market generally. Almost all of the toll road projects are doing better than they did a year ago despite the rigor of this particular winter. For example, in a preliminary release the Illinois Tollway Authority has indicated that revenue for January 1961 was 31.5% greater than for January 1960.

Some of the market gains of the past week have been substantial. Illinois Toll 3¾s are up 1¼ points; Illinois Toll 4¾s up 1½ points; Indiana Toll 3½s up ¾ point; Kansas Turnpike 3⅜s up 1 point; Mackinac Bridge 4s up 1 point; Massachusetts Turnpike 3.30s up 1¼ points; Maine Turnpike 4s up 1½ points; Florida Turnpike 3¼s up 2 points; Pennsylvania Turnpike 3.10s up 1 point; Richmond - Petersburgh Turnpike 3.45s up 1 point; Texas Turnpike 2⅞s up 1 point; and Tri-Dam Project 3.05s up 1½ points.

These spectacular rises, and others, exemplify the general investor reaction to the improved toll road and revenue bond situation. Although slow in early revenue realization, it now appears that many of these issues may be paid off (or will possess that capability) long before maturity.

Recent Financing

This past week's largest and most successful sealed bid type underwriting involved $14,000,000 City of Houston, Texas, Independent School District (1963-1989) bonds. This attractive issue was awarded on Feb. 2 to the group headed by Lehman Brothers, Halsey, Stuart & Co., Inc., Phelps, Fenn & Co., Chemical Bank New York Trust Co., and included many others. The bonds were priced to yield from 2.40% to 3.50%. The investor reception was good, as it has been for high grade bonds with better than average yield. Most of the offering has been sold.

On Friday, Feb. 3, one of America's extremely well run counties, Milwaukee County, Wisconsin awarded $10,328,000 various general obligation (1962-1981) bonds to the group headed by Chicago and New York dealer banks. The top members were The Northern Trust Co., The First National City Bank of New York, The Chase Manhattan Bank, Harris Trust and Savings Bank, Bankers Trust Co., Chemical Bank New York Trust Co., and Continental Illinois National Bank and Trust Co. The bonds were scaled to yield from 1.50% to 3.15%. Only $1,300,000 of bonds remains in account at this writing.

The $10,000,000 State of North Carolina (1962-1980) general obligation issue awarded on Wednesday, Feb. 8, attracted spirited bidding. The group headed by the Wachovia Bank and Trust Co. and including First Securities Corp., the Industrial National Bank of Providence, the Republic National Bank of Dallas and many others won the award. The bonds were priced to yield from 1.40% to 3.00%. The first ten maturities were said to be sold out before reoffering.

Chicago Airport Issue

In the negotiated financing category the $25,000,000 City of Chicago, Chicago-O'Hare International Airport issue was prominent during the past week. This issue, along with $120,000,000 of previously issued bonds, will serve to complete the present O'Hare Airport project. These issues were negotiated by Glore, Forgan & Co. along with A. C. Allyn & Co., Inc., Halsey, Stuart & Co., Inc., Harriman, Ripley & Co., Inc., Hayden, Stone & Co., and Stifel, Nicolaus & Co., Inc., all of whom were co-managers. The additional issue is composed of 4¾s due 1999 and was priced at 104½. The bonds were privately placed. The original issue, 4¾s of 1999 also, was offered in 1959 at par. The market for the bonds is 105¾-106¼ as we go to press.

Good Retail Sales

On Wednesday, Feb. 8, there was considerable activity generated in certain recent new issues. The $1,430,000 balance in the Houston, Texas School District account was sold out and the account was closed. The State of Connecticut account reported a balance of about $20,000,000 at Wednesday's opening. By early afternoon the balance was reduced to about $8,000,000. The Milwaukee, Wisconsin account showed a balance of $6,244,000 in Wednesday's *Blue List*. The balance shortly after noon was reduced to $2,876,000. This represents a considerable activity in view of the market's early week lethargy.

The *Smith, Barney & Company* Turnpike Index showed an average yield of 3.77% on Jan. 26, 1961; the Index was unchanged as of Feb. 2, the last reporting date. Since then the market for turnpike bonds has risen dramatically as reported earlier in this monologue.

Florida Turnpike Coming

Although there are no negotiated type issues apparently ready for market, there are several in various stages of development. The largest potential financing seems to involve the Florida Turnpike. Some decision in regard to this may be imminent. Prospective underwriters have been recently interviewed by the Turnpike Authority.

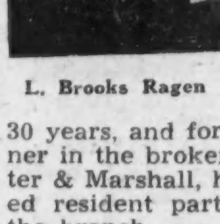
MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.65%	3.50%
Connecticut (State)	3¾%	1980-1982	3.30%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.25%	3.10%
New York (State)	3%	1978-1979	3.20%	3.05%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.90%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.65%	3.50%
Baltimore, Md.	3¼%	1980	3.40%	3.25%
Cincinnati, Ohio	3½%	1980	3.30%	3.20%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.60%	3.45%
New York City, N. Y.	3%	1980	3.45%	3.35%

February 8, 1961 Index=3.24%

Dominick to Open Portland Branch

PORTLAND, Ore. — Dominick & Dominick, members of the New York and other leading security and commodity exchanges, has leased office space in this city, and will open a branch office within a month, it is announced by A. Varick Stout, senior partner.



L. Brooks Ragen

L. Brooks Ragen, a Portland investment banker for the past 30 years, and for 17 years a partner in the brokerage firm of Foster & Marshall, has been appointed resident partner-in-charge of the branch.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Feb. 9 (Thursday)			
Elmira City School District, N. Y.	3,750,000	1961-1990	11:00 a.m.
Minneapolis Spec. Sch. Dist., No. 1, Minn.	2,000,000	1963-1972	10:00 a.m.
Texas	12,500,000	--------	10:00 a.m.
Triway Local Sch. Dist., Ohio	1,328,000	1962-1982	1:00 p.m.
Feb. 13 (Monday)			
Parma City Sch. Dist., Ohio	1,200,000	1962-1981	1:00 p.m.
Rossford Exempted Village School District, Ohio	1,000,000	1962-1981	Noon
Russell, Kentucky	1,150,000	1962-1991	7:30 p.m.
Feb. 14 (Tuesday)			
East Niles Community Service District, Calif.	1,410,000	1965-1986	8:00 p.m.
Georgia State Hospital Auth., Ga.	8,600,000	1962-1981	Noon
Meridan Township, Mich.	1,500,000	1962-1993	8:00 p.m.
Monroe, La.	1,675,000	1962-1981	10:00 a.m.
Feb. 15 (Wednesday)			
Baltimore, Md.	32,550,000	1962-1993	11:00 a.m.
Clearview Regional High School District, New Jersey	1,500,000	1961-1980	8:00 p.m.
Jackson, Miss.	2,810,000	1962-1986	10:00 a.m.
Jackson Municipal Separate School District, Miss.	2,800,000	1962-1986	10:00 a.m.
Louisville, Ky.	2,080,000	1967-1998	11:00 a.m.
North St. Paul-Maplewood Indep. School District No. 622, Minn.	1,000,000	--------	8:00 p.m.
Providence, R. I.	6,900,000	1962-1984	11:00 a.m.
St. Louis, Mo.	15,802,000	1963-1981	11:00 a.m.
Vallejo, Calif.	1,240,000	1991	11:00 a.m.
Woburn, Mass.	2,500,000	1962-1981	11:30 a.m.
Feb. 16 (Thursday)			
Cuyahoga County, Ohio	8,000,000	1962-1981	11:00 a.m.
Fairfield, Conn.	1,165,000	1962-1981	11:30 a.m.
Harrison County, Miss.	3,000,000	1962-1986	10:00 a.m.
Johnstown Municipal Auth., Pa.	5,000,000	1963-1986	Noon
St. Louis County, Mehlville School District, No. R-9, Mo.	1,225,000	1962-1981	8:00 p.m.
South Charleston, W. Va.	8,000,000	1962-2001	11:00 a.m.
Feb. 20 (Monday)			
Canton Local School District, Ohio	1,250,000	1962-1982	Noon
Dallas, Texas	19,000,000	--------	1:45 p.m.
Illinois State Normal Univ., Ill.	4,000,000	1963-2000	11:00 a.m.
Feb. 21 (Tuesday)			
Sycamore Local Sch. District, Ohio	1,300,000	1962-1981	Noon
West Branch Local Sch. Dist., Ohio	1,150,000	1962-1973	Noon
Feb. 23 (Thursday)			
Chesterfield County, Va.	3,000,000	1962-1981	Noon
Fond du Lac, Wis.	2,945,000	1962-1981	11:00 a.m.
Feb. 27 (Monday)			
Florida Development Comm., Fla.	1,700,000	1963-1990	11:00 a.m.
Natrona County School Dist., Wyo.	5,573,000	1962-1973	8:00 p.m.
Roxbury Township School District, New Jersey	1,720,000	1962-1980	8:00 p.m.
Santa Maria Joint Junior College District, Calif.	1,000,000	1962-1981	10:00 a.m.
Feb. 28 (Tuesday)			
Alabama Education Authority, Ala.	30,000,000	1962-1981	11:00 a.m.
Chillicothe City Sch. Dist., Ohio	1,500,000	1961-1981	10:00 a.m.
New Mexico	2,000,000	1965-1966	10:00 a.m.
Pomona Unified School Dist., Calif.	1,060,000	1962-1981	9:00 a.m.
Prince Georges County, Md.	11,400,000	--------	--------
Tucson, Ariz.	5,000,000	1962-1991	10:00 a.m.
March 2 (Thursday)			
Jefferson Parish, Fourth Jefferson Drainage District, La.	1,000,000	1962-1981	2:00 p.m.
San Antonio, Texas	3,500,000	--------	10:00 a.m.
Wharton Indep. Sch. District, Tex.	1,500,000	--------	--------
March 6 (Monday)			
River Falls Etc., Joint School Dist., Wis.	1,015,000	--------	7:30 p.m.
March 7 (Tuesday)			
Alameda County Flood Control & Water Conservation Dist., Calif.	1,350,000	1962-1991	10:00 a.m.
Beauregard Parish, Parishwide School District, La.	1,950,000	1963-1981	5:00 p.m.
Denver, Colo.	15,000,000	1972-1999	11:00 a.m.
New Jersey	20,850,000	--------	--------
Portsmouth, Va.	2,300,000	1962-1981	11:00 a.m.
March 8 (Wednesday)			
Los Angeles Dept. of Water and Power, Calif.	12,000,000	--------	--------
St. Paul, Minn.	10,634,000	--------	10:00 a.m.
March 14 (Tuesday)			
Washington Sub. San. Dist., Md.	10,000,000	--------	--------
March 16 (Thursday)			
University of California	2,750,000	1961-1988	10:00 a.m.
April 3 (Monday)			
Jacksonville Expressway Authority, Fla.	40,000,000	2000	--------
April 4 (Tuesday)			
Los Angeles Flood Control Dist., Calif	15,000,000		
April 12 (Wednesday)			
Eau Claire, Wisconsin	4,750,000	--------	--------
May 2 (Tuesday)			
Los Angeles Sch. Dist., Calif.	30,000,000	--------	--------

Interest is exempt, in the opinion of Bond Counsel, from all present Federal income taxes under the existing statute and court decisions.

The Enabling Act provides that the Bonds, their transfer and the income therefrom (including any profit made on the sale thereof) are exempt from taxation within the Commonwealth of Kentucky.

NEW ISSUE

February 3, 1961

$39,000,000

THE TURNPIKE AUTHORITY OF KENTUCKY

(an agency and instrumentality of the Commonwealth of Kentucky)

Eastern Kentucky Toll Road Revenue Bonds

(PAYABLE SOLELY FROM REVENUES AS HEREINAFTER SET FORTH)

Dated July 1, 1960

Due July 1, as shown below:

NOTES ABOUT THESE SECURITIES

THE AUTHORITY, a governmental agency of the Commonwealth of Kentucky, is comprised of the Governor, the Lieutenant Governor, the Attorney General, the Commissioner of Highways and the State Highway Engineer. It is the Lessor of the Eastern Kentucky Toll Road.

THE DEPARTMENT OF HIGHWAYS of Kentucky, the Lessee of the Eastern Kentucky Toll Road, has had extensive and successful experience during the last 30 years in financing with revenue bonds and operating 16 toll facilities, all of which now are reported to be debt-free or self-supporting.

BY AGREEMENT between the Authority and the Department (as authorized by the Enabling Act and upheld by the Court of Appeals of Kentucky), the latter covenants to pay all costs of repairing, maintaining and operating the Eastern Kentucky Toll Road until final maturity date of the bonds.

THE LEASE — Upon expiration of the current lease on June 30, 1962, the Department shall have the exclusive right to biennial renewals, one at a time, until June 30, 2000. This renewal is automatic unless notice not to renew is served. The Lease rental has been set at an amount which, if maintained during each succeeding biennium, will be sufficient to amortize all the bonds by their maturity.

THE DEPARTMENT, under the terms of the Lease, is firmly bound to pay the rental for each biennium for which the Lease is renewed as its general obligation to be paid from any available funds of the Department not required by law or by previous binding contract to be devoted to other purposes. The Department derives its funds largely from motor fuel tax revenues. Under the Kentucky Constitution, motor fuel tax revenues may be used only for highway purposes.

(The foregoing information was obtained from the Official Statement of the Authority to which reference is made.)

AMOUNTS, INTEREST RATES, MATURITIES AND YIELDS

$17,800,000 Serial Bonds

Amount	Interest Rate	Maturity	Yield	Amount	Interest Rate	Maturity	Yield
$600,000	4¼%	1965	3.50%	$ 800,000	4½%	1976	4.35%
600,000	4¼	1966	3.60	900,000	4½	1977	4.40
600,000	4¼	1967	3.70	900,000	4½	1978	4.45
600,000	4¼	1968	3.80	1,000,000	4¾	1979	4.50
600,000	4¼	1969	3.90	1,100,000	4¾	1980	4.50
600,000	4¼	1970	4.00	1,100,000	4¾	1981	4.55
700,000	4¼	1971	4.05	1,100,000	4¾	1982	4.55
700,000	4½	1972	4.15	1,200,000	4¾	1983	4.60
700,000	4½	1973	4.20	1,200,000	4¾	1984	4.60
800,000	4½	1974	4.25	1,200,000	4¾	1985	4.60
800,000	4½	1975	4.30				

$21,200,000 4.80% Term Bonds due July 1, 2000–Price 100

(Plus accrued interest)

Summary Description of Bonds: Issuable as coupon bonds, registrable as to principal alone, in the denomination of $1,000, and as registered bonds without coupons in denominations of $1,000 or any multiple thereof, and interchangeable as provided in the Trust Indenture. Semi-annual interest (January 1 and July 1) and principal of coupon bonds not registered as to principal payable at Liberty National Bank & Trust Company of Louisville, Louisville, Kentucky, or at Chemical Bank New York Trust Company, New York, New York, or at American National Bank and Trust Company of Chicago, Chicago, Illinois, at the option of the holder. Principal of registered bonds without coupons and of coupon bonds registered as to principal payable at Liberty National Bank & Trust Company of Louisville, Louisville, Kentucky, the Trustee under the Trust Indenture.

Redemption Provisions of the Bonds: The Bonds may be redeemed prior to their respective maturities on 30 days' published notice in Kentucky, Chicago, Illinois, and New York, New York, either in whole, on any date not earlier than July 1, 1971, at the option of the Authority, from any moneys that may be made available for such purpose, or in part, in the inverse order of their maturities, on any interest payment date not earlier than July 1, 1966, from moneys in the Sinking Fund at the following prices and accrued interest to the date for redemption:

PERIOD	SINKING FUND	AS A WHOLE
July 1, 1966 to January 1, 1971, inclusive	103%	—
July 1, 1971 to July 1, 1976, inclusive	103	105%
July 2, 1976 to July 1, 1981, inclusive	102	104
July 2, 1981 to July 1, 1986, inclusive	102	103
July 2, 1986 to July 1, 1991, inclusive	101	102
July 2, 1991 to July 1, 1996, inclusive	101	101
July 2, 1996 and thereafter	100	100

These Bonds are being issued for the purpose of providing funds, together with other available funds, for paying the cost of constructing the Eastern Kentucky Toll Road, as more fully described in the Official Statement. The Bonds are being issued under and pursuant to the provisions of Chapter 173 of the Acts of 1960, Regular Session, of the General Assembly of Kentucky (Sections 175.410 to 175.990, inclusive, Kentucky Revised Statutes), and are to be issued under and secured by a Trust Indenture, dated as of July 1, 1960, between The Turnpike Authority of Kentucky and Liberty National Bank & Trust Company of Louisville, Louisville, Kentucky, as Trustee. The Bonds will be payable solely from the special fund provided therefor from revenues of the Eastern Kentucky Toll Road, including rentals under the Lease hereinbefore mentioned. The Bonds shall not be deemed to constitute a debt of the Commonwealth of Kentucky or of any political subdivision thereof, or a pledge of the faith and credit of the Commonwealth or of any political subdivision thereof.

These Bonds are offered when, as and if issued and received by us and subject to the approval of legality by Mitchell, Pershing, Shetterly & Mitchell, New York, N. Y., and Grafton, Ferguson & Fleischer, Louisville, Ky., Bond Counsel.

Underwriters listed alphabetically within brackets of participation

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Allen & Company
A. C. Allyn and Company, Inc.
Bear, Stearns & Co.
Blair & Co., Incorporated
J. C. Bradford & Co.
C. J. Devine & Co.
Equitable Securities Corporation
Goodbody & Co.
Ira Haupt & Co.
Hornblower & Weeks
The Kentucky Company
Ladenburg, Thalmann & Co.
Carl M. Loeb, Rhoades & Co.
Merrill Lynch, Pierce, Fenner & Smith Inc.
W. H. Morton & Co., Inc.
John Nuveen & Co., Inc.
R. W. Pressprich & Co.
Salomon Bros. & Hutzler
F. S. Smithers & Co.
B. J. Van Ingen & Co. Inc.
Wertheim & Co.
Dean Witter & Co.

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Bache & Co.
Alex. Brown & Sons
Dominick & Dominick
Francis I. duPont & Co.
Estabrook & Co.
Hallgarten & Co.
Hayden, Stone & Co.
Hemphill, Noyes & Co.
Hirsch & Co.
W. E. Hutton & Co.
Leo Oppenheim & Company
Paine, Webber, Jackson & Curtis
L. F. Rothschild & Co.
Shearson, Hammill & Co.
Tripp & Co., Inc.

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American Securities Corporation
Bacon, Stevenson & Co.
Bacon, Whipple & Co.
Boettcher and Company
Cruttenden, Podesta & Co.
Dick & Merle-Smith
Fahnestock & Co.
Henry Harris & Sons, Inc.
J. A. Hogle & Co.
E. F. Hutton & Company
Jones, Kreeger & Co.
Wm. E. Pollock & Co., Inc.
Rand & Co.
Stein Bros. & Boyce
Stern Brothers & Co.
Stifel, Nicolaus & Company, Inc.
Thomas & Company

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Alden & Co., Inc.
The Bankers Bond Co., Inc.
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Allen & Company **John Nuveen & Co.** (Incorporated) **B. J. Van Ingen & Co. Inc.**

Merrill Lynch, Pierce, Fenner & Smith Incorporated **A. C. Allyn and Company** Incorporated **The Kentucky Company**

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Base Metals—Resume of 13 companies—Draper Dobie & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada. Also available are data on 13 **Oil & Gas Issues.**

Business Foresast — Report—FIF Management Corporation, 950 Broadway, Denver 3, Colo.

Canadian Common Stocks—Comparative figures—Equitable Brokers Limited, 60 Younge Street, Toronto 1, Ont., Canada.

Canadian Dollar—A Study—Wm. Stix Wasserman & Co., Inc., 70 Pine Street, New Yrk 5, N. Y.

Canadian Petroleum Stocks—Report — Annett Partners Limited, 220 Bay Street, Toronto, Ont., Canada.

Cement Manufacturers — In current issue of "Investor's Reader" —Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **Burndy, International Shoe, McCall Corp., Missouri Portland, National Dairy, Pillsbury** and **Fanny Farmer.**

Copper Stocks — Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

Cryogenics—Memorandum — Lafleur & Co., 61 Broadway, New York 6, N. Y.

Drug Industry — An appraisal—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

Japanese Market—Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also in the same bulletin are reviews of the Japanese **Heavy Electrical Machinery Industry, Watch Industry, Camera Industry** and **Sony Corp.**

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Fuji Iron and Steel Co.** and **Mitsubishi Chemical Industries Ltd.**, and discussions of **Hitachi Ltd., Yawata Iron and Steel Co., Tokyo Shibaura Electric Co.,** and **Nippon Steel Tube.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited (electronics); Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co. (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Meat Packing Companies—Analysis—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y. Also available is a memorandum on **General Instrument.**

New York Bank Stocks—Bulletin on leading New York City Banks —Laird, Bissel & Meeds, 120 Broadway, New York 5, N. Y.

Oil & Gas Issues—Bulletin—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a list of 90 speculative stocks.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — **National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.**

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Selected Stocks — List of issues which appear interesting arranged according to industry—Auchincloss, Parker & Redpath, 1705 H Street, Washington 6, D. C. Also available is a momerandum on **Controls Corp. of America.**

Small Business Investment Companies — Review with particular reference to **Electronics Capital Corp., Franklin Corporation,** and **Techno Fund Inc.**—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Treasury Financing — Bulletin—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

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A. C. F. Wrigley Stores—Memorandum—Norman C. Roberts Company, 625 Broadway, San Diego 1, Calif.

A. C. F. Wrigley Stores—Analysis —Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **United Merchants & Manufacturers.**

A. C. F. Wrigley Stores—Data —Oppenhiemer, Neu & Co., 120 Broadway, New York 5, N. Y. Also available are data on **Anderson, Clayton & Company, Georgia Pacific Corp., Minerals & Chemicals-Philipp Corp., Minneapolis Honeywell Regulator Co.** and **SKF** (Swedish Ball Bearing Co.).

Aeroquip — Memorandum — Blair & Co., Inc., 20 Broad Street, New York 5, N. Y.

Aeroquip—Memorandum—White, Weld & Co., 20 Broad Street, New York 5, N. Y.

Allied Small Business Investment Corporation—Report—Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

American Distilling — Data—Cooley & Co., 100 Pearl Street, Hartford 4, Conn. Also available are data on **Beckman Instruments** and **Nisson Trampoline.**

American Marietta — Analysis—Dempsey-Tegeler & Co., 210 West Seventh Street, Los Angeles 14, Calif.

American Optical—Data in February "Investment Letter"—Carreau & Co., 115 Broadway New York 6, N. Y. Also in the same issue are reviews of **Phillips Petroleum, Georgia Pacific, Ginn & Co.,** and **Manpower Inc.**

American Rubber and Plastics Corporation — Analysts — Hornblower & Weeks, 40 Wall Street, New York 5, N. Y.

American Saint Gobain Corp.—Analysis—Robert Garrett & Sons, Garrett Building, Baltimore 3, Md.

Arkansas Louisiana Gas—Review —Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available are reviews of **Dow Chemical** and **Clark Equipment.**

Atlantic Refining—Bulletin—F. P. Ristine & Company, 15 Broad St., New York 5, N. Y.

Audion-Emenee Corp. — Memorandum — Pistell, Crow, Inc., 50 Broadway, New York 4, N. Y.

Automatic Canteen Co. of America —Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Statham Instruments, Stokely Van Camp Inc., Varian Associates, Silver and Silver Speculations, Meat Packers,** and outlook for **Building Supply Stocks.**

Barber Greene Company — Booklet — William Blair & Company, 135 South La Salle Street, Chicago 3, Ill.

Burry Biscuit Corp. — Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Burry Biscuit Corporation — Data in February ABC Investment Letter—Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y. Also in the same issue are data on **Bzura Chemical Company,** and **Universal Match Corp.**

California Financial Status—Illustrated brochure—Municipal Bond Department, Bank of America, N. T. & S. A., 300 Montgomery Street, San Francisco 6, Calif.

Cal-Tech Systems Inc.—Information—Myron A. Lomasney & Co., 67 Broad St., New York 4, N. Y.

Camco, Inc. — Memorandum—Lee Higginson Corporation, 20 Broad Street, New York 5, N. Y.

Carrier Corp. — Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Continental Baking.**

Cascade Natural Gas Corp. — Memorandum — Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif. Also available are memoranda on **Ginn & Co.** and **Wayne Manufacturing Co.**

Certain-Teed Products—Report—Colby & Company, 85 State St., Boston, Mass. Also available is a report on **Thiokol Chemical.**

Cetron Electronic Corp. — Report —Leason & Co., Incorporated, 39 South La Salle Street, Chicago 3, Illinois.

Crouse Hinds Company—Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **Tax Exempt Bonds.**

Dial Finance Co.—Memorandum—T. C. Henderson & Co., Empire Building, Des Moines 9, Iowa.

Diapulse Manufacturing — Memorandum — Frank Investors Corp., 40 Exchange Place, New York 5, N. Y.

Echlin Manufacturing Company—Southeastern Securities Corporation, City Savings Bank Building, Charlotte, N. C.

Eldon Industries Inc.—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Ferro Corp.—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Transamerica Corp.**

Fischbach & Moore—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Frisch's Restaurants — Data—Shields & Company, 44 Wall St., New York 5, N. Y. Also available are data on **Munsingwear** and **Niagara Mohawk Power** and a study of **Berman Leasing.**

G.-L. Electronics — Memorandum Jerome Robbins & Co., Inc., 82 Wall Street, New York 5, N. Y. Also available is a memorandum on **A. K. Electric.**

General Aviation — Data — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available are data on **Metro Goldwyn Mayer** and **Paramount Pictures Corp.**

Giannini Controls — Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is an an analysis of **Twentieth Century Fox.**

Imperial Packing Corp. — Report —Lloyd Securities, 150 Broadway, New York 38, N. Y. Also available are reports on **Lake Ontario Portland Cement, Ferrodynamics** and **Torrington Manufacturing.**

International Silver — Memorandum — Schrijver & Co., 37 Wall Street, New York 5, N. Y.

Lence Lanes—Analysis—Marron. Sloss & Company, Inc., 63 Wall Street, New York 5, N. Y.

Lockheed Aircraft Corporation—Review—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y. Also available is a memorandum on **Edo.**

McCall Corporation — Review in February "Investment Letter"—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also in the same issue is a review of **Drilling and Exploration.**

McCrory Corporation — Appraisal —Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

Microwave Associates — Report—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Morgan New York State Corporation—Brochure report—The First Boston Corporation, 15 Broad St., New York 5, N. Y. Also available are comparative figures on **New York City Bank Stocks.**

Norfolk & Western Railway—Analysis—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Pacific Cement & Aggregates—Bulletin — Weingarten & Company, 551 Fifth Avenue, New York 17, N. Y.

Peabody Coal Company—Report—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also available are a report on **Pioneer Natural Gas Company,** and data on **Long Island Lighting, Oil Securities, Kerr McGee Oil, Morgan Guaranty Trust,** and **Celanese Corp.**

Russell Stover Candies—Report—Stern Brothers & Co., 1009-15 Baltimore Avenue, Kansas City 5, Missouri.

Howard W. Sams Co. — Memorandum — First California Company, 300 Montgomery Street, San Francisco 20, Calif. Also available is a memorandum on **Cannon Electric Co.**

Skelly Oil — Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Stockton, Whatley. Davin & Co.—Memorandum—Allen C. Ewing & Co., Prudential Building, Jacksonville 7, Fla.

TXL Oil Corporation — Data—Schirmer, Atherton & Co., 50 Congress Street, Boston 9, Mass. Also available are data on **Universal Oil Products Co., Millipore Filter Corp.** and **Infrared Industries** and a memorandum on **Will Ross, Inc.**

Tele-Tronics Company—Analysis —Robinson & Co., Inc., 42 South 15th Street, Philadelphia 2, Pa.

Texas Capital Corp. — Report—Dempsey-Tegeler & Co., 101 No. St. Marys Street, San Antonio 5, Texas.

Texas Gulf Sulphur — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Walt Disney Productions—Memorandum—Hardy & Co., 30 Broad Street, New York 4, N. Y.

United Fruit Co.—Revisited

By Dr. Ira U. Cobleigh, *Enterprise Economist*

A discussion of the possibilities, inherent in this renowned corporation, for restoration of earning power and a return of its common stock to market levels and investor acceptance more consistent with its historic stature.

The time appears to have come for a revised look at United Friut Company. For decades this distinguished enterprise ranked among America's great corporations, and its common stock was a cherished blue chip widely found in the investment portfolios of the financially elite. The world's largest promoter, producer and purveyor of bananas, owner of fabulous swaths of plantation land in Central America, proprietor of The Great White Fleet of efficient and well maintained cargo craft, railroad and wharf owner, and sponsor of the most famous advertising gal until Miss Rheingold—Chiquita Banana—this was United Fruit.

In World War II some of the best ships of United Fruit were taken for military use by either Great Britain or the United States and 20 company ships were lost by enemy action in 1943. Understandably and necessarily the war adversely affected UF earning power and for 1943, earnings diminished to $1.23 per share and the common dividend was reduced to 75 cents. Post war recovery was both vigorous and impressive. For 1950, UF reported net profits of $65,727,933, a whacking $7.49 per share, and dividends totalling $4.75 a share were paid. In 1951, UF common sold at 73!

A Succession of Blows

We cannot chronicle such a happy account about the next decade. Political trouble, brewing since 1948, broke out in Guatemala in 1951. In 1952, a committee of stockholders of International Railways of Central America initiated a multi-million dollar suit against UF. In 1957, Samuel Zemurray, a fabulous, dynamic and effectively driving businessman, who had made powerful contributions to company progress, retired. He left no one in the company to duplicate his executive virtuosity.

There were other debits UF had to absorb — an anti-trust suit by the United States, damage to banana crops by windstorm and disease; and confiscation of company property, first by Guatemala and then, in 1959, by that bearded beatnik, Fidel Castro. Finally, the price of bananas reached, in 1960, its lowest level in years. With all this adversity it was not particularly surprising that estimated earnings for 1960 fell to a dismal 25 cents a share. Book value which stood at $40.69 at the 1959 year-end was reduced to about $33.50, writing off entirely the company's net investment in Cuba.

There you have it in capsule—a sad saga of corporate retrogression and a distressing erosion of earning power. Hardly a buoyant background on which to justify a constructive viewpoint about UF common at this time!

It is possible, however, to argue that United Fruit has had about all the bad luck it could run afoul of, and that, based on improved management and intelligent and hopeful long range plans, the company may now be approaching a significant and discernible corporate uptrend.

The banana, although its price may have slipped, is a wonderful friut, with a dynamic future. It is enormously important as a commercial item and in dietary programs in the United States. It's usually the first solid food given to babies; it's bland, low in cholesterol, and ideal for plump persons, fighting their own battle of the bulge. The banana is a complete food loaded with proteins, vitamins and minerals; yet it rates only 88 calories, on a weight-watchers menu. But the banana did not gain its popularity entirely on its dietary excellence. No indeed. Kids love 'em plain, in banana splits, pies, ice cream. The banana is a food for every age, and has a flavor and aroma entirely unique. In bygone years, United Fruit has accounted for 65% of all bananas consumed in Canada and the United States. The banana is very "big business," with over 3 billion pounds devoured annually in the U. S. alone.

So don't give up on United Friut on the idea that the banana is going out of style. It isn't. It's getting better all the time. United Fruit has attacked aggressively certain problems in the growing. To reduce wind damage UF is stressing a much shorter and sturdier Gros Michel plant. To overcome Panama disease (a crippling plant blight) the company is switching Panamanian production to a variety called Lacatan, strongly resistant to the disease. It will take three or four years to make this switchover, and arrangements are being made to box the friut before ocean shipment, since the Lacatan banana bruises more easily. This variety is expected to meet the competition of low-priced Ecuadorian bananas which have had a disturbing influence on the American market.

Diversification Program

While United Fruit will continue to develop its traditional business it has taken a number of important steps to diversify operations, and reduce the heavy dependency on banana business. Last year through its subsidiary Liana, Inc., the company made a substantial entry in freeze-drying of foods, using a dehydration process invented by Dr. Henry Wager. This method, whereby foods may remain unrefrigerated for long periods, has already been successfully applied to shrimp and chicken; and it is believed many other major foods can be treated similarly. This would open the way to large new markets among restaurants, hotels and the military services.

In addition, United Fruit has sizable herds of cattle remaining in Honduras and Costa Rica, is a large producer of palm oil and is planning the growing of abaca (manila hemp). Further, the company acquired in 1957 oil exploration rights covering 3 million acres in Panama; and in 1958 obtained a 123,000 acre oil concession in Colombia, with seven wells now in production. UF also has a concession covering sizable deposits of barite in British Honduras.

Much of this progress and long range planning is the result of quite new leadership in the person of Thomas E. Sunderland, President, since early last year. He is a top flight executive in his early 50s, and brings to the company proven managerial and legal talent well demonstrated in his previous position as Vice-President and General Counsel of Standard Oil Company of Indiana. While Mr. Sunderland was immediately faced with a batch of disturbing problems outlined above, he has attacked them with vigor and courage, and his policies and actions should do much to restore stockholder confidence in this historically strong company.

Excellent Financial Position

The financial position of United Fruit is notably strong with no debt or preferred stock and (at the 1959 year-end) $31 million in cash and $43.9 million in net working capital. This is a considerable war chest and provides ample resources to implement the diversification plans now under discussion or under way.

Here then is a company with a glorious past, a distinctive product in which it is a dominant factor and a wealth of assets remaining even after the seizures in Cuba and Guatemala which may sometime be appropriately compensated for. There are 55 ships, 61 radio stations, a radio telegraph company, modern docks at Baltimore, Boston, Hoboken and New Orleans, 540,317 acres of land (of which less than 40% has been expropriated) some 52,000 head of cattle and the Revere Sugar Refinery at Charlestown Mass. All that is required now is to restore earnings on this large scale assortment of assets, and investors may again be placing UF common on their shopping list.

Today UF at 19⅞ is only 5 points above its 20 year 1960 low of 14⅞. Because the company has sustained such a boatload of buffeting, the common has not provided much inspiration for a bullish following. At today's prices, however, and giving due allowance for the vast storehouse of useful assets, and energetic, intelligent and cost conscious management, UF common may be ready to start on the road back to being a fruitful investment.

Dean Witter to Admit Partner

Dean Witter & Co., members of the New York and Pacific Coast Stock Exchanges, on Feb. 16 will admit Edwin R. D. Fox, II, member of the New York Exchange, to partnership. Mr. Fox will make his headquarters in the firm's New York office at 14 Wall St. He will retire from partnership in Chaplin, McGuiness & Co.

Merrill V.-P. of Wainwright & Ramsey Inc.

Portland Merrill

Portland Merrill, a specialist in municipal financing and revenue bond issues for public bodies, has joined Wainwright & Ramsey, Inc., 70 Pine Street, New York City, as a Vice-President, it was announced by J. B. Ramsey, President of the nationally-known municipal consultant organization.

In his executive capacity, Mr. Merrill will have an active role in serving present accounts throughout the nation, and also in the development of new revenue financing programs, according to Mr. Ramsey. Mr. Merrill began his career in the field of municipal finance with the Guaranty Company of New York in 1929, and for the past 18 years has been associated with Blyth & Co., Inc. in its municipal bond department.

During his association with Blyth & Co., he has helped design many large revenue financing plans involving a total of more than a billion dollars. These programs included the Ohio Turnpike, the Pennsylvania Turnpike, Georgia State School Building Authority, Washington Toll Bridge Authority, Mississippi River Bridge Authority, Tulsa Municipal Airport, as well as revenue bond issues for water, light and power, sewer, parking, college facilities and other public improvements.

Interest Rates and Changes Facing Mortgage Bankers

By Henry H. Edmiston,* *Vice-President, Kansas City Life Insurance Co., Kansas City, Mo.*

The outlook for mortgage interest rates, changes in the life insurance industry's holding of residential mortgages and other matters of direct concern to mortgage bankers are pinpointed by Mr. Edmiston. Though mortgage interest rates in the immediate future will be subjected to downward pressures, they are not expected to go much lower than what they are now. This is attributed to such resistance factors as the anticipated strong demand for long-term credit in the next few years, the balance of payments problem, and today's position of savings and loan associations and banks. Private sources are not expected to bypass mortgages, however, since the rates are expected to be competitive with other long-term rates. Mr. Edmiston also predicts a mild downturn the first half of this year to be followed by a mild upturn, and a somewhat greater number of housing starts than the 1,290,000 in 1960.

In discussing the prospects for supply and demand of mortgage funds during 1961, it is necessary to make some appraisal of the general economic and business climate that may be anticipated during the year. The forecasts now being made by the so-called economic experts contain an unusual degree of unanimity. Most analysts expect the trend of business activity to be downward during the first half of the year. They anticipate further liquidation of inventories and a modest decline in capital expenditures by business and industry. This will be accompanied by an increase in unemployment and some curtailment in personal incomes.

Henry H. Edmiston

Nevertheless, there is general agreement that the decline in economic activity will be mild and there will be no cumulative pressures which will push the economy into a serious downward spiral. Consumer income, including unemployment benefits, and consumer spending will be well maintained, and this should prove to be a sustaining factor that will cushion the decline in business and provide a sound basis for ultimate recovery. Public confidence about the future appears to continue strong and this should prove extremely important in preventing a serious recession.

Business Improvement Seen

Beginning about the middle of the year, the consensus is that we will experience an upturn in business. This view is held for a number of reasons. By mid-1961, inventory liquidation will have been largely completed. Although no major buildup in inventory is anticipated for the balance of the year, the mere fact that stocks have been brought into line with current sales and inventory liquidation ended should provide some stimulus to business recovery. There appears little prospect of much stimulation arising from increased capital expenditures by business throughout the year. Nevertheless, a leveling out of capital expenditures at a relatively high level should be a sustaining factor. More stimulus is expected from residential housing as a result of the greater availability of mortgage money and perhaps lower interest rates. The prospects in this direction I wish to defer for later, more detailed treatment.

The major reason for thinking business will improve in the second half of 1961 is the general belief that government expenditures will increase. The new Administration is expected to increase expenditures for national defense and for various domestic, social and economic programs. Thus, the seasonal decline in revenues which develops during the second half of any calendar year, combined with an increased level of spending, will produce a sizable deficit during the last half of 1961 which would give a positive stimulus to business activity. Finally, it is anticipated that consumers, although they are likely to continue to buy cautiously, will maintain a volume of spending that will be sufficient to sustain a high level of industrial activity. Business sentiment which appeared to be mildly pessimistic at the start of the year is already showing some light improvement and further gradual improvement may occur as the year progresses.

In short, it appears that 1961 will not be a boom year, yet it will not be a recession year. The course of business should be mildly down during the first half and mildly up during the second half, with a reasonably high level prevailing throughout the year. This is the economic outlook from which I propose to discuss the demand and supply of mortgage money.

Supply of Funds

First, let us look at the supply side. Here I think the outlook is clear. There will be adequate mortgage funds from private sources to meet all sound and legitimate needs in the mortgage market. As we all know, the principal suppliers of mortgage funds are the so-called savings institutions. All the major savings institutions appear likely to have as much, if not more, net increase in savings during 1961 as they had in 1960. The savings and loan associations will probably show a growth in the order of magnitude of perhaps $9 billion and most of this money normally flows into residential mortgages. The life insurance companies will probably show a net gain in assets of around $6 billion. The mutual savings banks, whose growth has been curtailed during the last couple of years, appear likely to show an increase of perhaps $2 billion. The time deposits of commercial banks should also show a greater increase in 1961 with a gain of something over $6 billion net. This makes a total net increase in available funds for the principal savings institutions of $23 billion in new money. In addition, of course, these institutions will need to invest the funds they receive from principal payments on their outstanding investments.

In contrast to the last two years, the savings institutions will be looking more favorably upon mortgage loans for investment of their funds. Some of them, particularly the savings and loan associations, are largely restricted to mortgages. The others now find that mortgage rates, which normally lag behind rates in the more sensitive areas of the money market, have become adjusted and are no longer unattractive as compared with alternate outlets. Under these conditions we may expect all the savings institutions to be quite willing to make commitments for mortgage loans that meet their standards.

Demand for Funds

The demand side of the mortgage picture is more difficult to appraise. Even with the increased availability of mortgage funds that has occurred to date, there is no sign of a pronounced revival of residential and other construction which would absorb fully the funds available. We have all observed that in most of the postwar period, at times when business activity is rising and the general demand for money becomes strong, loanable funds have flowed away from the mortgage market as interest rates on competitive investments have risen more sharply than mortgage rates. Money has flowed back into the mortgage market when business activity declined and open market interest rates eased. This behavior of loanable funds has, therefore, had the effect of imparting a contracyclical movement to the construction industry in general and residential housing in particular, which has contributed to stabilizing business generally.

The fact that housing starts have not as yet shown a rising trend raises the question as to whether the basic demand for housing at present is sufficient to support a higher rate of construction activity even if plenty of money is available for financing.

There appears to be a number of reasons for believing that housing will not respond as vigorously as in former postwar recession periods to a larger available supply of mortgage funds. For one thing, we do not have the backlog of unsatisfied housing demand that existed in earlier postwar years. More unsold houses are now on the market, and vacancy rates on both single family homes and apartments have been steadily rising in recent years, although there is evidence the vacancy rate in rental housing leveled off in the last quarter of 1960. Consequently, builders are less inclined to undertake new housing construction merely because financing is more readily available. Second, rising land costs and construction costs generally have pushed up prices of new construction more rapidly than the rise in family incomes, thus limiting the market for new housing. Third, it is in the later years of the 1960's rather than the early years when we may expect the impact in terms of family formation from the greatly accelerated birth rate in the early 1940's. Finally, the government has about exhausted its ability to provide effective stimulation to housing through a progressive lengthening of maturity terms and lowering of down payments on mortgage loans, both through the FHA and the GI programs, and through granting the savings institutions broader legislative authority with respect to conventional loans.

Housing Starts

It is hard to say what the net effect of all these factors will be in holding down the volume of new home building in 1961. My own guess is that new housing starts will be somewhat greater than the 1,290,000 starts in 1960, according to the revised series of the government. As you know, the previous government figures had been running about 10% less than actual construction.

Whether or not his amount of new housing will be achieved will depend on a number of factors which are mostly unrelated to financing. It has been evident in much of the post war period that the home building industry has been largely selling terms rather than houses *per se*. Whenever a business turndown occurred, the home building industry received a shot in the arm by being able to offer lower down payments and lower monthly payments through lengthening repayment terms, so that home builders could offer new houses at a monthly cost to the purchaser which he felt was lower than the existing rental scales. Thus, with personal incomes throughout the period at a high level, many individuals and families felt they were able to obtain the type of housing accommodations they desired on a relatively favorable basis, and the demand for new housing revived promptly to the financial stimulation.

Home builders must now seek other means to sell new houses and this may prove to be a tough job. They must supply the type of product the public wants in terms of modern living — something better than they have now at prices they can afford. This means builders must find ways to control costs through improved design, use of new materials and greater labor efficiency so that they can offer a quality product at lower cost.

I have confidence that under pressure of competition the ingenuity of the building industry will find solutions to its problems and the public will respond by buying new houses. The recent cautious buying habits and the building up of liquid savings probably means that many families are now more able to undertake new home purchases. There are still many people who want new and better housing accommodations, particularly in those areas of greatest population increase. The potential for a high and sustained level of housing is present but it must be developed by hard work and cooperative effort by all elements of the construction industry, including the financial community.

Mortgage Interest Rates

What will be the impact of this supply and demand forecast upon interest rates in the mortgage market? Clearly, in the immediate future there will be pressures for rates to decline. As mentioned previously, there is always a lag in the adjustment of mortgage loan rates to those in the money market generally which have been falling for nearly a year. Short-term rates particularly have been substantially reduced while long-term rates in the government market, and on other high grade securities, have declined to a lesser extent. Mortgage rates, on the other hand, while they have shown a softening tendency, have not been materially affected as yet. It is true the prevailing discounts of FHA and GI loans are perhaps a couple of points less than they were a few months ago, and rates on conventional loans are off a quarter to perhaps one-half

percent from the peaks reached toward the end of 1959.

The big question is how much further the decline in mortgage rates may go. In this connection, it should be noted that although institutional lenders have a large amount of funds to invest, they will be quite reluctant to reduce mortgage rates substantially. The savings and loan associations are generally paying 4% on their share accounts with rates as high as 4½% prevailing in certain parts of the country. With these high rates being paid to their customers, the savings and loan associations cannot afford to reduce their rates to new borrowers much and still have a margin to cover expenses and to strengthen reserves to the extent the leaders of the industry generally agree is necessary. The commercial banks still have very high loan-to-deposit ratios and it does not appear they will adopt an aggressive policy of adding to their mortgage loan portfolios by offering lower interest rates. Many insurance companies have sizable forward commitment accounts and they are likely to let their commitment accounts run off to some extent rather than try to maintain them by making mortgage loans at much reduced rates. The mutual savings banks are also faced with the "squeeze on earnings" and appear likely to resist any material reduction in rates.

Institutional lenders generally feel there will be a strong demand for long-term credit in the next few years and, except for more or less temporary periods of monetary ease, interest rates will be relatively high as compared to the past. In the period immediately ahead, therefore, they will probably not be as aggressive in reducing rates to attract loans as would be the case if they expected a secular down trend in interest rates.

There has been a good deal of conjecture about the policy toward interest rates of the new Administration and of the monetary authorities. The Federal Reserve has for several months followed a policy of maintaining ease in the money market, and it appears likely this policy will be continued for the time being. Fears of inflation have subsided, at least temporarily, and unemployment is still increasing. The Federal Reserve as always will be watching the situation closely and could reverse its policy should signs of real strength develop in the business picture because inflationary pressures could reappear on fairly short notice.

The Balance of Payments Problem

In discussing possible measures that may be taken by the Administration or the monetary authorities, we must not overlook the international situation. As we know, gold has been flowing out of the United States in large amounts and foreigners have tremendous short-term holdings in the American money market. These factors cannot be ignored in the determination of domestic monetary policy. We cannot isolate our actions in domestic monetary policy from the effects they might have upon our international financial position. To make money unduly easy might touch off a substantial withdrawal of balances from this country with the result that gold outflow would be stepped up to such an extent confidence in the soundness of the dollar would be seriously impaired, both at home and abroad. This is a question of delicate balance which the Treasury and the Federal Reserve are well aware exists. It is likely, therefore, that greater reliance may be placed on measures other than monetary policy to promote recovery should the economy slide off further. All I am saying here is that in the next few months, monetary policy will be responsible and will not err on the side of excessively cheap short-term money which otherwise might put more pressure on long-term interest rates, including those in the mortgage market.

On the whole, therefore, I should think rates in the mortgage market during at least the first half of this year will be *somewhat* lower. I stress the word "somewhat" because I do not believe they will be much lower. In any event, mortgage rates should be competitive with other long-term interest rates so that there should be no fear the needs of the mortgage market will not be taken care of by loanable funds from private sources. If business improves sufficiently during the last half of the year, we may expect a reversal in interest rates in the short-term money market, and consequently, some firming of rates in the long-term market.

Residential vs. Commercial and Industrial Mortgages

In conclusion, may I address a few remarks to the relative attractiveness of various parts of the mortgage market with particular reference to residential loans as against mortgage loans on commercial and industrial properties. Here I have in mind primarily the position of life insurance companies which provide the principal source of funds to mortgage bankers.

More and more, residential loans are the least attractive part of the market to the insurance company investor. This is because the local lenders, such as savings and loan associations and commercial banks have a big advantage over us. The commercial banks get many choice residential loans because their customers come to them directly with loans that are well secured and where borrowers do not want or require long amortization periods. Banks can afford to make such loans at lower rates since they have a customer relationship to protect. Savings and loan associations, on the other hand, can make higher ratio loans and for longer terms than can most life insurance lenders. FHA and GI loans are nearly always unattractive to life insurance companies in a period of tight money because rates are inflexible and adjustment through discounts is never as satisfactory as through the interest rate itself. Purely on relative yields, residential loans, after paying servicing, are not as attractive as commercial and industrial loans where competition is less. Consequently, life insurance companies may be expected to reduce their relative position in the residential field over a period of time and this may be a serious matter as far as mortgage banks are concerned. This is one of the things mortgage bankers have in mind when they seek to broaden the interest in the mortgage market on the part of pension funds and others. Also, it account for their efforts to enter the commercial loan field on a larger scale. They are wise in doing these things, and I hope they will be successful.

Here again, however, the mortgage banker must face up to the competitive forces developing in their business. They should be devoting their best thought and efforts to ways in which they can reduce costs and can give service to both customers and investors on a basis that will expand their business and maintain their profits. I am sure they can meet the challenge that lies ahead.

*An address by Mr. Edmiston before the 6th annual Senior Executives Conference co-sponsored by the Mortgage Bankers Association of America and the School of Business Administration of the Southern Methodist University, Dallas, Texas, Jan. 24, 1961.

THE SECURITY I LIKE BEST...

Continued from page 2

in the past and also provides an indication of the growth in future years.

Year End June 30	Sales	% Change all plus	Earnings per share
1956	$571,505	--	.03
1957	673,367	17.8	.10
1958	835,696	24.1	.17
1959	972,330	16.3	.17
1960	2,285,805	135.1	.92

These figures are based on Nissen's "Trampoline" business. As a privately held company, Medart generally accounted for about $1 million in sales with an after-tax profit of $100,000. As a result of the physical move of Medart from St. Louis to Cedar Rapids, not much can be expected from Medart until the last quarter or perhaps the first quarter of the 1962 fiscal year. For the first quarter of the current fiscal year the company earned $0.51 a share; for the second quarter, due to moving expenses, underwriting and legal costs in connection with the Medart acquisition, earnings will probably be only a few pennies. Assuming this, I would estimate the sales and earnings for the next two years as follows:

Year End June 30	Sales	% Change	Earnings per share
1961	$3,700,000	61.0	$1.20
1962	6,300,000	70.0	2.00

As of Nov. 30, 1960, the capitalization of the company consisted of $325,000 of 6% convertible notes due March 1, 1976, and 375,000 shares of $1 par common stock. The notes are convertible into 65,000 shares of common stock. As of now the officers and directors of the company hold about 75% of the stock, with the publicly-held portion somewhere between 90,000 and 95,000 shares.

Although I have concentrated on the American aspects of the growth potential of this company, it should be pointed out that Nissen has an English subsidiary which in 1959-60 accounted for $190,000 in sales made throughout Europe and the Near East. The company has been exploring the feasibility of working in Japan, which might provide a very rich market for its products.

Now selling at less than 12 times contemplated 1960-61 earnings, and at seven times estimated earnings for 1961-62, the common stock of Nissen Trampoline, at about $14 in the Over-the-Counter Market represents an attractive speculation with great promise of capital gains.

Phila. Inv. Ass'n. To Hold Meeting

PHILADELPHIA, Pa. — Howard Butcher, III, partner in the investment banking firm of Butcher & Sherrerd, will be guest speaker at a luncheon meeting of the Investment Association of Philadelphia to be held Friday, Feb. 10 at The Engineers Club, Philadelphia.

Howard Butcher, III

Mr. Butcher will discuss "value" and "growth" securities.

Harry J. Kirby, Jr., of Blyth & Co., Inc. is in charge of arrangements.

To Be Officers Of Hooker, Fay

WALNUT CREEK, Calif.—As of March 1, Sherwood B. Marshall and Charles A. Rafter will become Vice-President and Assistant Vice-President, respectively, of Hooker & Fay Inc. Both will make their headquarters at the firm's Walnut Creek office, 1321 Main Street.

Acting on Dollar's Defense

By Paul Einzig

Unless quickly followed by specifics, the good impression made by Kennedy's defense of the dollar may be vitiated. In making this observation, Dr. Einzig refers to our wage policy and unemployment compensation program which he believes reduces the incentive to export. He warns that the undervalued D. mark's drain on our dollar is likely to continue, and that a hike in our production costs makes us more vulnerable to U. S. S. R.'s economic offensive. The British are reminded that sterling's strength is due to dollar's weakness. Dr. Einzig expects that spending ourselves out of unemployment will convince labor full employment is their birthright.

LONDON, England — President Kennedy's firm declaration rejecting the idea of a dollar devaluation has made a good impression over here, except among inflationists who are naturally disappointed. The foreign exchange market seems to have accepted the disclaimer at its face value, and the dollar has been reasonably steady in consequence. Any rejoicing over this would be premature, however. For unless the new Administration makes it quite clear that, having willed the end of defending the dollar, it is also prepared to will the means to that end, second thoughts are likely to prevail in the market.

Sooner or later the various economic policies declared or implied in the various Presidential statements will be subjected to close scrutiny, to ascertain what they amount to from the point of view of the active defense of the dollar. What are the measures to safeguard the balance of payments? What is done about the budgetary deficit? Above all, will anything be done to arrest the wage inflation?

In respect of the balance of payments the new Administration cancelled its predecessor's belated measure cutting down overseas expenditure on dependents of the forces stationed abroad. Against this the possibility of saving in other directions is vaguely foreshadowed.

In respect of the budget the proposed expenditures on unemployment relief will add to the deficit and will increase domestic consumption, thereby reducing the incentive for an export drive.

What is even more important, the new Administration has embarked on this full-scale drive to reduce unemployment without making any attempt whatever to induce the trade unions to abstain from claims for higher wages until the recession has been brought to an end. There will be nothing to prevent the trade unions from taking advantage of the official stimulus to demand for labor for stepping up their wage claims. Indeed, Congress is urged to increase minimum hourly wages, thereby encouraging an all-round demand for higher wages at a time when it would be essential for the defense of the dollar to keep down the costs of production.

Specifics Are Urgently Needed

How can President Kennedy's advisors expect such measures to inspire confidence in the dollar? The sincerity of his desire to avoid devaluation is beyond doubt. But he has not given so far any indication of intentions to take effective action to check the gold drain by eliminating the balance of payments deficit. Possibly he may have a series of measures in readiness or under consideration which would present a totally different picture. If so, the sooner such measures are announced the better. They should be announced before second thoughts about the President's ability to defend the dollar will begin to prevail.

It is true, if the United States is not alone in reflating, then the reflationary policies need not affect the balance of payments adversely. There are signs of some degree of reflation in Britain, though it is not likely to go as far as in the United States, because unemployment to be dealt with in Britain is negligible. Western Germany has not shown any signs of adopting policies leading to reflation, so the drain on the dollar due to the undervaluation of the D. mark is likely to continue.

It must also be borne in mind that the balance of payments of the United States, as that of Britain and other free countries, is likely to be exposed to an increasing degree to Soviet competition. The higher the cost of production the more vulnerable the balance of payments will be to Soviet economic offensives.

From a British point of view the apparent absence of measures to defend the dollar cuts both ways. Reflation in the United States largely reduces the risk of a sterling crisis this year, and it obviates the necessity of maintaining the disinflationary measures in defense of sterling. Taking a short view this may be a blessing. But it only means that in the absence of an immediate threat to sterling, the government will not resist inflation at home. It is of course possible that the firmness of the D. mark will compel the British authorities to adopt or maintain measures in defense of sterling. But the potential extent of a drain on sterling through a firmness of the D. mark is infinitely smaller than that of a drain on sterling through a firmness of the dollar.

Sterling's Strength Based on Dollar's Weakness

In any case, those on this side who are inclined to rejoice over the absence of a return of funds from London to New York do not realize that if the strength of sterling is secured as a result of inherent weakness of the dollar the price paid for the advantage gained is far too high from the point of view of the free world as a whole. Indeed it is well worth our while to put up with an occasional drain on sterling if that is the price that must be paid for the advantage of having one western currency that is absolutely above suspicion. Since in existing circumstances sterling cannot aspire to attain that status the next best thing — from a British point of view and from that of the free world as a whole —is that the dollar should recover that status and retain it.

There is yet another aspect of the situation. Hitherto it was hoped that the increase of unemployment in the U. S. would teach organized labor within and outside the U. S. a lesson that unrestrained greed in their wage demands carries its punishment in the form of unemployment. If the new Administration now spends its way out of unemployment it will only confirm the conviction of trade unions all over the world that full employment is their birthright and that there is no need for self-restraint.

D. R. Tubbs Now With Blair Co.

CHICAGO, Ill.—Blair & Co., Inc., members of the New York Stock Exchange, announced that Deane R. Tubbs has become associated with the firm as sales manager in the Chicago office, 105 South La Salle St.

With Paul Bernstein

Oppenheimer & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, have announced that Paul P. Bernstein has become associated with the firm as a registered representative.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Washington observers are watching with interest for a clash between two strong personalities in the Department of Justice. One is the famed J. Edgar Hoover and the other is young Bobby Kennedy. Ever since the FBI was created the successive attorneys general have feared to lock horns with the FBI head. He has built himself too well with the country and with Congressmen and Senators on Capitol Hill. Even when he went to the defense of the late Joe McCarthy, backing him up on the Communist influence in this country, he escaped the abuse which followed McCarthy up until his death.

He and young Bobby have already clashed over the latter's suggestion that a National Crime Commission be created. Hoover denounced it because it would make him an ordinary chief of police. Young Bobby has not come back to it, and presumably the idea is dead.

Bobby will not be in the same category that other Attorney's General have found themselves in. If he wants to challenge Hoover, he will have the backing of the White House, but so popular is Hoover with the country—he has been built up into sort of a legend — that there is question whether the White House would want to lock horns with him.

* * *

Washington newspapermen are agitating for more press conferences on the part of Cabinet officers. It makes no difference as to whether the Cabinet officers have anything to say or not. The newspapermen want to grill them; ask them about civil rights if they can think of nothing else.

They hope the Cabinet member will slip up and say something that had better been left unsaid—and therefore, make headlines.

So far they have succeeded in getting Dean Rusk, Secretary of State, to hold a conference. There was no reason in the world for him to have a press conference. He had no information to impart. Nevertheless, the correspondents agreed that he did the best with what he had.

Secretary of Commerce Hodges went on "Meet the Press" Sunday night and although he said some things that could have been best unsaid, he acquitted himself very well. A press conference is an ordeal with 200 or more men shooting questions at you. The man the correspondents have not been able to trick yet is the boss, Mr. Kennedy. He has been the master of the two conferences he has held.

* * *

The Census Bureau's final population count for the nation's Congressional districts throws into sharp focus the inequalities in Congressional representation under the existing apportionment.

The size of existing Congressional districts range from 1,104,460 in the 28th District of California down to 177,431 in the 12th Michigan District. The average population per Congressional district, based upon the national total count of 179,323,175 persons, is 410,350.

The swollen districts are found mainly in the states which have had a phenomenal population growth in the last ten years—Arizona, California and Florida.

In the last ten years the population of Arizona has nearly doubled and the population of its two Congressional districts run far above the average for the country. The First District now has a population of 663,510, the Second, 638,651.

The disproportion in the size of the Congressional districts in California ranges from more than 1,000,000 in the 28th—the most populous district in the country—to 253,360 in the 20th, one of the nation's smallest. Nine of the California districts have populations in excess of 600,000. The population of the 25th is 803,302; of the 17th, 773,555; of the 30th, 722,476.

Florida in another state whose population has almost doubled since 1950. The unevenness of the population distribution is reflected in size of the Congressional districts which range from 982,968 in the 4th district down to 239,992 in the 8th district. The 1st district has a population of 820,443, and two others have populations each of more than 700,000.

Other abnormally swollen districts are the 5th Texas district, with a population of 951,527; the 1st New York district, with a population of 906,187; and the 13th district of Illinois with a population of 905,761.

At the other end of the scale are the 2nd district in Arkansas, with 182,314; the second South Dakota district, with 182,845; the 4th district in Colorado with 195,551; the third district in Kansas, with 212,520.

Callanan V.-P. of American Secs.

William Rosenwald, Chairman of the Board of American Securities Corp., New York City, announced the election of Paul E. Callanan as Vice-President. Mr. Callanan, who will make his headquarters at the firm's Hartford, Conn., office, 75 Pearl St., retired as Vice-President of the Hartford National Bank & Trust Co. on Dec. 31, 1960 under the bank's mandatory retirement program.

As Vice-President of American Securities Corp., Mr. Callanan will act as advisor to the corporation's salesmen in preparing investment programs for both institutions and individuals.

Mr. Callanan has lived in the Hartford area since 1927 when he became Manager of the Hartford office of a large investment banking company. He joined the Hartford National Bank & Trust Co. in 1942 where his many duties included that of portfolio management.

Cal-Tech Syst. New Firm Name

Effective Feb. 3, 1961, the corporate title of Figurette, Ltd. was changed to Cal-Tech Systems, Inc. Information is available from Myron A. Lomasney & Co., 67 Broad St., New York 4, N. Y.

Foehl Director of Nat'l Secs. Research

Charles A. Foehl, Jr., Treasurer of Williams College, has been elected to the Board of Directors of National Securities & Research Corp., 120 Broadway, New York, it has been announced by Henry J. Simonson, Jr., President.

Joins Glore, Forgan

SAN FRANCISCO, Calif. — Lawrence G. Boeck has joined the staff of Glore, Forgan & Co., Russ Building.

Research Pharmaceuticals And the Industry's Growth

By John T. Connor,* *President, Merck & Co., Inc., Rahway, New Jersey*

Drug manufacturer credits creation of what amounts to an assembly line for the planned production of discoveries for stimulating this industry's growth. He warns, however, that the dynamic effect of research and development depends on strong patent and trademark laws which, in turn, depend on the government to keep these laws strong and effective. Highlighted in Mr. Connor's paper are data dealing with the decline of wholesale prices of drugs compared to the decade's rise in the wholesale price index, and the tremendous economic gains resulting from the plethora of sensational drug advances. Crediting research and development as a tremendous force for economic growth, Mr. Connor sees its expansion helping to lift the U. S. economy to $750 billion by 1970—50% higher than today's.

I propose to discuss some of the ramifications of a vital new force that is at work in our society today, a force that the ethical pharmaceutical industry has played a significant part in creating.


John T. Connor

When James Watt patented his steam engine in 1769 and transformed a single invention into enough power to launch the Industrial Revolution, he demonstrated the principle that scientific discovery is a potent form of economic energy.

It has taken us two hundred years to accumulate the store of knowledge, the skilled people, the financial resources and the institutional environment to put this principle to work on a vast scale. This, we are now doing. At an increasing tempo over the past few decades, American industry has been organizing research laboratories and recruiting an army of trained men and women for what is fast becoming a massive assault upon the unknown.

There have been lonely inventors ever since man found out that his curiosity could be turned to practical use. There have been lonely laboratories ever since the development of the scientific method. What is new is the creation of what amounts to an assembly line for the planned production of discoveries and the effect this may have on the future of our economic growth.

For the past few years this assembly line has been turning out an increasing number of new materials, new products, new tools and new ways of doing things. Some of them have already made their way to the market place. But the real flood is expected later in the sixties. When it comes, its impact on our already bustling economy may be as great as the impact James Watt's steam engine had on the quiet country towns of 18th century England.

The rate of our economic growth has recently become a national concern, and rightly so. We are the strongest power and have the highest standard of living in the world today because for several generations our economy grew faster than that of any other country. In large measure the future of human freedom depends on our ability to maintain this lead.

There are beginning to be doubts, not that we can stay ahead, but that we will do so. The Soviet Union is now growing at least twice as fast as we and increasing its truculence at an even greater rate. Though there are optimists who predict that it will falter somewhere along the line, it is neither wise nor safe, in my opinion to risk our survival on such hopes. Too much is at stake.

Some economist, who is also a bit of a wag, has pointed out that there is another way of looking at this problem. If Russia can frighten us so badly, he says, when their economy is less than half the size of ours, just think what we can do to them when ours is only half as strong as theirs. I find this humor rather chilling.

The Lever for Economic Growth

Ever since we have become aware of the consequences of complacency, we have been casting around for new ways to step up the rate of our growth. Research and development may prove to be just such a new way to grow.

To understand why, we have to jump over almost a century and a half from Watt's steam engine to the beginnings of industrial research in this country. About fifty years ago a few pioneer American corporations decided to find out whether the free enterprise system could effectively put to work the principle that new scientific knowledge could be transformed into economic energy. Their success encouraged others. In fact, as the late Sumner Slichter has said: "The discovery that an enormous amount of research can be carried on for profit is surely one of the most revolutionary economic discoveries of the last century."

Research laboratories were well seeded throughout American industry by the time of Pearl Harbor. Then came the victories of organized research which helped win the war—particularly the dramatic ones, such as radar, penicillin and the atom bomb. This demonstration of the power of scientific knowledge changed research and development in both character and significance almost overnight.

R & D Expenditures

In 1939 we spent only half a billion dollars on R & D. By 1946, the firsts postwar year, the figure had reached $2.1 billion. For the next seven peacetime years it continued to climb, reaching $4.9 billion in 1953. Then it took off. In the next three years it doubled. Dexter Keezer of McGraw-Hill has estimated that last year we passed the $12 billion mark. This is an explosive rate of growth. Three-quarters of this research is being done in corporation laboratories, a little over half of which is financed by the Federal government. What Dr. Slichter dubbed "the industry of discovery" had come into being.

The product of the industry of discovery is still the same: new knowledge. But the quest for it is no longer either individual or haphazard. It has become planned, targeted and budgeted. It has become a new way to compete and even the only way, in some industries, to survive. As an anonymous composer of doggerel has put it:

"In modern industry, research
Has come to be a kind of Church,
Where rubber-aproned acolytes
Perform their Scientific Rites,
And firms spend funds they do not hafter
In hopes of benefits hereafter."

Effect on Economic Growth

Now, what is the relationship between all this burst of activity and economic growth? First, it will result in a vast outpouring of new products that will generate consumer demand and open up new markets. We are all familiar with how the automobile boosted the economy of the twenties. A more recent example is the tiny transistor. It was born only 12 years ago in the Bell Labs. Today transistors and kindred devices have grown into the mighty vigorous half-billion-dollar semi-conductor industry, which is now transforming its own scientific discoveries into economic energy at an astonishing rate.

Second, capital investment will be stimulated to build the plant and equipment to satisfy consumer demand for the new products. This will create new jobs and new spending power.

Third—and some economists believe this is the most important economic effect—R & D will increase productivity through the invention of new machines and new systems to enable us to produce more in fewer man-hours.

As Dr. Alan Waterman, Director of the National Science Foundation, has pointed out, the industries that spend the highest percentage of their sales on research and development are almost always those with the highest rate of growth. For almost a generation now, the ethical drug industry has been proving the validity of Dr. Waterman's point. We have been pouring our own resources into planned discovery at a rate that today is unequalled. As a result, the domestic sales of human ethical pharmaceuticals have shot up from $150 million in 1939 to almost $2 billion last year. This is a multiplication of 13 times in 20 years.

The energy for this dramatic expansion has come from the scientific knowledge developed by our own laboratories and by those in the universities and medical schools. This new knowledge has been translated by industry research into an almost endless stream of new and effective drugs that have brought about a revolution in medicine.

The major part of our growth has come from a handful of historic breakthroughs, drugs that either cured or controlled diseases for which nothing effective had hitherto been discovered. The sulfas, vitamins, penicillin, streptomycin, the broad spectrum antibiotics, cortical steroids, tranquilizers, diuretics and hypotensives. More than half of these great medicines were discovered in the laboratories of the American pharmaceutical industry and we gave a helping hand at the birth of most of the rest of them. We are proud of this record and resent attempts to belittle it, such as we have seen in some recent Congressional investigations.

With the help of others, the industry has learned how to turn these landmarks in chemotherapy almost directly into economic growth. On the laboratory shelves they would, of course, be nothing more than useless scientific achievements. Over the years we have perfected an enormously complex but highly efficient production, advertising, sales and distribution system to move discoveries from the laboratory to patients all over the world.

This has enabled us to turn new products into growth at a speed that is probably unequalled by any other industry. Let me give just one example. 'Diuril,' which has revolutionized the treatment of edema, was introduced in January, 1958. By the end of March, half the diuretic patients in the country were receiving it and it was being prescribed by physicians from Chile to Singapore.

Research and development is not just at the heart of our industry; it is the heart. While our production, sales and advertising people are busy competing for current markets, our laboratories are engaged in an even fiercer struggle to capture the markets of the future.

R & D and the Obsolescence Rate

This has produced a rate of product obsolescence that is unknown in other fields I know anything about. The last time we made a survey — for the third quarter of 1959 — we found that more than 80% of the prescriptions written for Merck products could not have been written 10 years before; the drugs had not yet been born.

This type of creative destruction —as it has been called—has required our industry to spend unprecedented amounts of our own funds for research and development. In fact, no other industry can touch our record in this regard. The industry's R & D expenditures multiplied six and a half times from 1945 to 1959, reaching $197 million last year. This was 7.8% of our world-wide sales, better than three times the average for all manufacturing. It is also a higher percentage of sales than that spent by any industry except aircraft, almost all of whose research is subsidized by the government. The taxpayers pay for only 1% of our research; our stockholders finance the other 99%. For years now Merck has put more of its own money into research than it has paid out to its stockholders in dividends.

We are not just robbing the existing store of scientific knowledge and doing nothing to replace it. According to the National Science Foundation, we are spending 17 cents out of every research dollar for basic research, or six times the average for all industry. Only

Continued on page 42

Some Problems Facing Us And What to Do About Them

By Hon. Barry Goldwater*, *U. S. Senator from Arizona*

Personal reflections on what is disturbing in the national picture candidly depict what conservatives should be doing politically, and as businessmen, to improve the public weal so as to lessen the size of government. Senator Goldwater makes clear that today's crises do not serve as excuses to destroy our basic documents; discusses the state of today's domestic economy and foreign affairs; and suggests what should be done to improve our policies and our free enterprise system. On the domestic front, for example, he suggests FHA type of bank loans be made available to farmers instead of today's federal agricultural program, and to stop federal aid to education he proposes every taxpayer be allowed to credit on his income tax what he pays in local taxes for school bonds.

I should like to preface this discussion by commenting on a question that was asked me several times, because I have an idea that this is in the minds of many business men, who have contributed not only financially but energy - wise to the programs that were initiated several years ago to educate them in the importance of getting into politics.

Hon. B. Goldwater

The question was: Did business participation programs prove effective in the last Presidential campaign? There is no way of measuring whether they were or not, because we haven't gotten down yet to the detailed studies, to the point where we would be able to tell whether or not a specific company's program or the Chamber of Commerce program, let us say, produced results.

Also, it must be borne in mind that for many years—too many years—business and professional people had their heads in the political sands, and it was with great reluctance that they were finally pried loose and made to realize that the forces opposing free enterprise in this country were well organized, well financed and well on their way to accomplishing their goals.

These opposing forces are headed by the Committee on Political Education, which is the political arm of the labor movement. COPE has worked at this game for a good many years. And, it has great political savvy. In fact, people have often said, "How come you are so successful out in Arizona where the Democrats outnumber you two to one?"

"Well," I reply, "we just get COPE's book on how to do it and use it."

I have never seen a successful business man yet who was against copying success. I wouldn't be the least bit discouraged about what might have happened at your particular city, county, state or national level. Remember that labor didn't meet with much success for a good many years. In fact, it is quite disappointed about its success in the recent election. Outside of its great help to the Democrats in the Presidential campaign, labor had very little to boast about. Its efforts in the House and the Senate races were not as productive as the unions had hoped.

So, as a politician, as a business man, I hope that business men continue with their efforts to train themselves and the people working with them, not as Democrats or as Republicans, but as American citizens who recognize their obligations to our government. Because, without this we cannot continue.

"Must Win the War"

The temporary defeat, then, is not of great importance. The important thing is to win the war, and the war is against those who would tear down our free enterprise system, tear down our Constitutional Republic and replace one with socialism and the other with a centralized bureaucracy wrapped up in the lack of virtue of the welfare state.

We can't talk about business today without talking politics, and we can't talk politics without discussing business. The two have become almost inseparable.

I don't want to discuss partisan politics. I just want to discuss some of the problems that face us, and what I think we might do about them.

In fact, for a generation—ever since the stock market collapsed in 1929—we have been living on the razor edge of a crisis in human affairs. The dangers come from economic depression and economic boom, they come from international wars, police actions and cold wars, and they come from the drastic alteration of our world by science and technology.

The basic concern of all Americans, regardless of party, should be that of good government. This alone is a subject of very formidable dimensions. So all I can promise are some personal reflections on what disturbs me in the national picture.

Distorting History

Profound changes are taking place in the form and practice of American government. Those who are bringing about these changes argue that the revolutionary developments of our times make the old rules obsolete. In their book, anyone who builds a temple of his thought on the foundations of our country is a reactionary.

I think these people are taking liberties with history, when they conclude that the crises and revolutionary temper of our times justify the demolition of our country's foundations. Have these people forgotten that these foundations were laid in Revolutionary times? Have they forgotten that this country was born, our government was created during a time of world revolution in agriculture and in industry?

And we ourselves in America were engaged in one of the most violent revolutions man ever exercised against government in order to establish here the type of government that was required to protect the freedoms that we recognized as coming from God, when Thomas Jefferson said, "We are endowed by our Creator."

And then we followed, years later, with the war between the states — certainly another great crisis in our times, but we overcame this crisis and went on to greater and greater days.

And in the 1900's we have already had two world wars and a police action in Korea.

Crises Are Man-Made

These are crises, and yet the people who are proposing movements against our free enterprise system and our Constitution say that because we are in crises, then we should change our basic documents. These are the men with no faith, these are the men who are fearful, these are the men who do not seek their answers in God or themselves or their government, but, rather, turn first to the bureaucratic forms that we have in Washington, not pausing to think that they, themselves, might answer these crises that men and men alone have created. In fact, at the bottom — and with all the trappings of modern times stripped away—the real crisis of our times is in the thoughts and the actions of men. Men, not conditions, are responsible for our progress or for our decay, and we must always remember that—conditions don't cause crises, men cause crises.

All of these things I have mentioned—world revolutions in industry and agriculture, our own political revolution, the Civil War, the wars that we have had in this century, our depressions—all of the troubles that we have had—were created by men, and only men can give the answers. But no assemblage of men, no bureaucratic form of regulatory government, established in any one central place, can ever solve a crisis. All they do is compound the crises, and I don't have to spend a moment mentioning examples of it.

Our unwieldy tax structure is only one area where mistakes have been made that have caused crises, and to overcome these, further crises were written into the law.

The Agricultural Act, under which 30% of our farmers labor, is a perfect example of what happens when men try to tamper with the natural laws, and then have to write unnatural law after unnatural law, in order to overcome the trouble that they get into.

It will take leadership, as it always has, to get our country out of the troubles it finds itself in today. The responsibility of leadership rests as much with the business community as it does with any other segment of our society. In fact, it rests with every American.

Sees Wave of Conservatism

I might say one of the great encouraging things to a conservative is the almost tidal wave of conservatism that is sweeping across this land in our high schools, preparatory schools and our colleges, among young people.

This, to me, augurs well for the future, because these young people know, in fact they sense, that the attempts of the last 30 years to solve our crises by unnatural means have not worked. They ask themselves, "Can we solve them this way?" And their answers have been "No." They are looking towards conservatism. I don't say they have all bought it, but attempts are being made to convince them, and the attempts are being very successful.

So we have a potential now of leadership coming up through the ranks of the colleges, the prep schools and the high schools, and the young businessmen, to augment the leadership of men already established in business.

We can now look four years ahead, six years ahead, ten years ahead, and know from whence our leaders are coming, and know that for the first time in probably 25 years, we are going to see young people in the conservative movement who understand it and who will do the job of selling it that people of our age have failed to do.

Businessmen's Responsibility

Responsibility, then, of leadership rests on businessmen, because these young men are going to be coming along. If they see the business community of this country conducted in a way that we have always been accused of conducting our affairs, we might see them slip back. If the enlightened management of today, with its enlightened relationship with labor, can prevail, then I feel sure that the young people coming up will continue to grow in their conservative philosophy, and this country can do nothing but benefit by it.

If we will recognize, then, that men, not conditions, are responsible for our progress or decay, and that we have to have leadership that understands this in order to go ahead and to progress, then I think we can make headway in America.

Let's take a quick look at several areas in which men have been wrong over the past several and, in some cases, many years. Men have been wrong, although they have been sincere in this error, when they have felt that some of the things they were doing would help this country and help the world. In fact, I like to think of this period as the period when the chickens are coming home to roost. It is an expression we all understand.

Warnings Ignored

While none of us likes to be an "I told you so," I think many of us will remember the voices that have been raised against the irresponsibility that we have been practicing. For example, responsible voices have warned us time and time again that excessive foreign aid in the reckless giveaway of American dollars would ultimately bring us to our present perilous position, where our gold reserves are being siphoned off at an alarming rate, and the adverse balance of payments threatens the security of the American dollar. People had been told this would happen. We can't deny it, we can't dodge it, we can't avoid the blame for it. Those of us who have been in government, who should have known better, should have tried harder to stop this before the damage was done.

We see in 1960, for example, the balance of trade is very favorable to us, amounting to about $5 billion. But when we realize that some $9 billion are going to flow out of this country, we wake up to the fact that we are $4 billion in the hole. Then, if we add that to the excessive amount of dollars that are owned overseas, which can be turned into gold, we have real cause for worry.

Steps must be taken immediately.

With respect to the conservatives and the businessmen all over this country, I think it is time to stop just criticizing and being against. Let's begin offering something of our own in lieu of what is being attempted, because we have tarnished the name "conservative" more by being objectionists than by any other efforts we have undertaken.

Would Curtail Foreign Aid

What could we do, for example, in the situation that we find ourselves in today? I think one of the most imperative decisions that could be made would be to have Congress stop foreign economic aid. I refer to that portion of our mutual security program over

Continued on page 24

President's Message on Gold And Balance of Payments

Comprehensive diagnosis of, and program to correct, our international economic difficulties stresses the primary need to achieve domestic economic progress and to expand our exports. President Kennedy proposes higher interest rates and tax incentives to foreign governments to induce their retention of dollars instead of gold, lowering of duty-free goods brought here by U. S. tourists, and preventing the abuse of foreign "tax havens" by American capital abroad. Enumerated are our resources behind the dollar which are said to provide time to act calmly and deliberately on this and many other matters proposed. Forceful declaration made on maintaining the mint price of gold does not press for the abolition of gold reserves behind Federal Reserve notes and deposits. The future need for strengthening international institutions so they may furnish more reserves to support growing world economy is one of the tasks, among others, assigned to Secretary of the Treasury to study.

Following is the text of President Kennedy's message presented to Congress Feb. 6 on the balance of payments and gold:

The gold outflow of the past three years has dramatically focused world attention on a fundamental change that has been occurring in the economic position of the United States. Our balance of payments—the accounting which shows the result of all of our trade and financial relations with the outside world—has become one of the key factors in our national economic life. Mainly because that balance of payments has been in deficit we have lost gold.

President Kennedy

This loss of gold is naturally important to us, but it also concerns the whole free world. For we are the principal banker of the free world and any potential weakness in our dollar spells trouble, not only for us but also for our friends and allies who rely on the dollar to finance a substantial portion of their trade. We must therefore manage our balance of payments in accordance with our responsibilities. This means that the United States must in the decades ahead, much more than at any time in the past, take its balance of payments into account when formulating its economic policies and conducting its economic affairs.

Our First Requirement

Economic progress at home is still the first requirement for economic strength abroad. Accordingly, the first requirement for restoring balance in our international payments is to take all possible steps to insure the effective performance of our own economic system—to improve our technology, lower our production and marketing costs, and devise new and superior products, under conditions of price stability. The real wealth of a nation resides in its farms and factories and the people who man them. A dynamic economy producing goods competitively priced in world markets will maintain the strength of the dollar.

Thanks to our international reserves we have time, if we use it wisely, in which to strengthen our domestic economy and make it fully competitive with that of other nations. Our siuation is one that justifies concern but not panic or alarm.

In my message on Feb. 2, I dealt with the measures for reviving our domestic economy. The steps I now propose will strengthen our dollar position and insure that our gold reserves are employed effectively to facilitate the commerce of the free nations and to protect the stability of their currencies. Because these steps supplement the policies for strengthening our domestic economy, and because we can take them calmly and deliberately, they are not for that reason any less important or less urgent. Those that are within the present authority of the Executive will be the subject of vigorous action. Where action by the Congress is required I urge early consideration and approval.

For the past decade our international transactions have resulted in a deficit—payments that were in excess of receipts — in every year except that of the Suez crisis, 1957. The surplus of our exports over our imports, while substantial, has not been large enough to cover our expenditures for United States military establishments abroad, for capital invested abroad by private American businesses and for government economic assistance and loan programs.

Terms Outlays Essential

All of these outlays are essential. Our military establishments in foreign countries protect the national security. Private investment promotes world economic growth and trade and, through the return of profits to our country, will strengthen our balance of payments in future years. Our economic assistance programs, much the smallest of these three items in its effect on payments balance, is vital in the continuing struggle against tyranny and oppression, and the poverty on which they feed.

Over the period 1951 to 1957 the deficit in our balance of payments averaged about $1 billion annually. These did not result in a net outflow of gold from the United States; foreign monetary authorities, banks and private individuals held these earnings as dollars or claims on dollars. Thus our gold reserves were $22.8 billion at the end of 1950 and $22.9 billion at the end of 1957. But during these years the dollar holdings by foreign countries increased from $8.4 billion at the end of 1950 to almost $15 billion at the end of 1957.

These earlier deficits in our balance of payments were, in fact, favorable in their world effect. They helped to restore foreign monetary systems by enabling foreign countries to earn the dollars which they needed to rebuild their international reserves. They made it possible for the industrialized countries of Western Europe to restore the convertibility of their currencies, thus freeing world trade and payments from exchange control. This was of benefit to the export trade of the United States. However, this growth in foreign dollar holdings placed upon the United States a special responsibility—that of maintaining the dollar as the principal reserve currency of the free world. This required that the dollar be considered by many countries to be as good as gold. It is our responsibility to sustain this confidence.

Deficit's Growth and Gold Flow

In 1958 and 1959 the deficit in our balance of payments sharply increased—to $3.5 billion in 1958 and to $3.8 billion in 1959. This came about mainly because of lagging exports and rising imports. There was no significant increase in our outlays for military expenditures, private investment or Government economic assistance.

However, in these years, unlike the period 1951-57, the deficit resulted in large transfers of gold to foreign accounts as well as a further increase in foreign dollar holdings. For the two years together, 1958 and 1959, gold transfers to foreign accounts were $3 billion while foreign dollar holdings by foreign countries increased by another $4.3 billion. These gold transfers did not make the underlying balance of payments fundamentally worse. They did reflect a decision by foreigners to take more of their earnings in gold and to hold less in dollars.

Last year, 1960, the surplus of our exports of goods and services over our imports increased from $2.2 billion in 1959 to $5.8 billion. This was caused, principally, by an increase—amounting to more than $3 billion—in our exports. This once more reduced what may be called our basic deficit—it was only about $1.5 billion for the year. However, during 1960 there was a large movement abroad of short-term capital. Favorable interest rates abroad, a high rate of growth and good investment prospects in Europe and some speculative fears concerning the future value of the dollar all played a part.

It is estimated that this outward flow of short-term funds was between $2 billion and $2.5 billion, and this was the crucial factor in raising the overall deficit to $3.8 billion. Of this, $1.7 billion were transferred in the form of gold and $2.1 billion took the form of increased foreign dollar holdings.

An outward movement of short-term funds such as that which occurred in 1960 should not be considered a part of the basic deficit. Such movements are quickly reversible in response to changes in interest rates and other business factors here and abroad. Moreover, insofar as short-term funds transferred to foreign financial centers consist of U. S.-owned capital, they create United States claims against the recipient country.

In the new era of convertible currencies upon which we have entered, we may expect that short-term money will continue to flow back and forth. I have requested the Secretaries of State and Treasury to work for still closer cooperation between the monetary and financial authorities of the industrialized free nations with a view toward avoiding excessive short-term money flows which could be upsetting to the orderly development of international trade and payments.

In sum, our basic deficit of $1.5 billion is of manageable proportions. And it is this basic deficit which affects the real strength of our currency. But the time has come to end this deficit. It must be ended by responsible, determined and constructive measures.

Would Unfreeze Gold if Needed

There are other factors which lend basic support to our monetary and financial position. Our gold reserve now stands at $17.5 billion. This is more than 1½ times foreign official dollar holdings and more than 90% of all foreign dollar holdings. It is some two-fifths of the gold stock of the entire free world.

Of this $17.5 billion, gold reserves not committed against either currency or deposits account for nearly $6 billion. The remaining $11.5 billion are held under existing regulations as a reserve against Federal Reserve currency and deposits. But these, too, can be freed to sustain the value of the dollar; and I have pledged that the full strength of our total gold stocks and other international reserves stands behind the value of the dollar for use if needed.

In addition, the United States has a quota in the International Monetary Fund of $4.1 billion. This can be drawn upon if necessary and our access to the Fund's resources must be regarded as part of our international reserves.

Finally, beyond its liquid international reserves, the Government and citizens of the United States hold large assets abroad. Western European countries whose currencies are now strong owe us long-term governmental debts of $2.9 billion. Our private short-term assets abroad now are estimated at $4.5 billion. Our long-term private investments in foreign countries—including both plants owned directly by American companies and securities of foreign business and governments owned by Americans—total over $44 billion, exceeding foreign investments in the U. S. economy by some $28 billion. In any reckoning of international assets and liabilities, the United States has a strong, solvent position.

Powerful Resources

In short, powerful resources stand behind the dollar. Our gold and monetary reserves are large; so are the physical and monetary assets we hold throughout the world. And, in the years ahead, if the program I previously outlined is pursued, the dollar will have the added strength of the reviving power of the American economy itself.

Certain firm conclusions follow:

(1) The United States official dollar price of gold can and will be maintained at $35 an ounce. Exchange controls over trade and investment will not be invoked. Our national security and economic assistance programs will be carried forward. Those who fear weakness in the dollar will find their fears unfounded. Those who hope for speculative reasons for an increase in the price of gold will find their hopes in vain.

(2) We must now gain control of our balance of payments position so that we can achieve overall equilibrium in our international payments. This means that any sustained future outflow of dollars into the monetary reserves of other countries should come about only as the result of considered judgments as to the appropriate needs for dollar reserves.

(3) In seeking overall equilibrium we must place maximum emphasis on expanding our exports. Our costs and prices must therefore be kept low; and the Government must play a more vigorous part in helping to enlarge foreign markets for American goods and services.

(4) A return to protectionism is not a solution. Such a course would provoke retaliation; and the balance of trade, which is now substantially in our favor, could be turned against us with disastrous effects to the dollar.

(5) The flow of resources from the industrialized countries to the developing countries must be increased. In all that we do to strengthen our balance of payments, we must be especially mindful that the less developed countries remain in a weak financial position. Help from the industrialized countries is more important than ever; we cannot strengthen our balance of payments at the expense of the developing countries without incurring even greater dangers to our national security.

(6) The United States must take the lead in harmonizing the financial and economic policies for growth and stability of those industrialized nations of the world whose economic behavior significantly influences the course of the world economy and the trend of international payments.

To carry forward these policies I propose a program for action, which may be divided into two

Continued on page 23

Predictions—1961

By George J. Bender,* *President, The Brooklyn Savings Bank, Brooklyn, N. Y.*

Brooklyn banker foresees slight inflationary trend toward end of the second quarter. He detects some confidence by businessmen in the Administration's attitude toward them; comments on the advisable and inadvisable types of Government measures to aid the economy; and finds it anomalous that the State of New York is the only one which regulates interest rate on savings and this, in turn, only with respect to mutual savings banks.

The obvious base for prediction of the trend in savings bank deposits is one involving the expected business index. Should the present economic trend, which seems to be at best static, continue during the early part of 1961, deposits in savings accounts should increase. In my opinion, the business trend will continue slightly downwards for at least the first three or four months of 1961, and with the impact of Federal programs a slightly inflationary trend should commence around the latter part of the second quarter of 1961.

George J. Bender

The prediction of an early inflationary supply of cheap money is in my opinion completely erroneous. The incoming Administration must cope with international monetary problems which become increasingly difficult as years go by. Our position in the world markets is such that a continuing outflow of gold cannot be permitted. Cheap money without doubt would increase the outflow. Therefore, while there will probably be some lowering of interest rates — principally because the economic upturn in foreign countries seem to have stopped for the time being — the supply of money will not be increased appreciably. Of course, national budget deficits and large Federal expenditures are bound to have inflationary effects. In my judgment, however, enough conservative thinking appears to be present in the new Administration so as to forestall any wildly inflationary projects.

Conservative Types of Inflation

The field of housing seems to be one which this Administration will attempt to stimuate. [*Ed. Note*—Subsequent to Mr. Bender's prediction, the FHA rate was cut from 5¾ to 5½%.] This could be done by lengthening the term of insured mortgages and perhaps decreasing required down payments. Deficits in capital expenditures in such different agencies as FNMA do not have the immediate effect of deficits in the Federal budget and, therefore, would be a more conservative type of inflation if such a comparison is permissible.

Public works upon which so much reliance was placed in the '30s have no immediate effect on business conditions, nor would emergency measures aimed at helping distress areas do much in improving the business climate. True, these methods have some eventual effect, but until capital expenditures by private industry, including the field of housing, can be increased, little or no great improvement in business conditions can be expected. Tax reductions and more sympathetic treatment of depreciation of plant would, of course, have an immediate impact on business conditions, but here again, the result would probably be bigger deficits and eventual imbalance of the economy. I do not see any immediate prospect of the early application of these last two remedies.

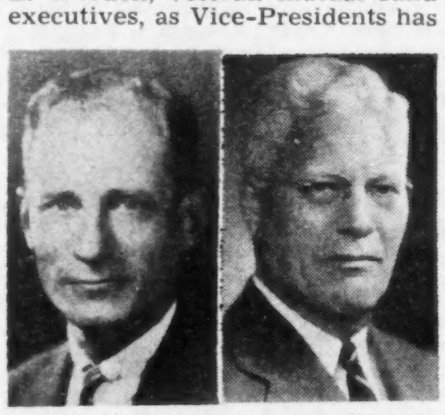
Things are not as doleful as the foregoing would seem to indicate. I can sense a slight resurgence of confidence in my conversations with businessmen and certainly there is no indication of such an emergency as existed when Franklin D. Roosevelt's first Administration came into being. I find no reason to expect that the Administration will adopt anything like a punitive attitude towards business. The appointments that have been made are to a large degree encouraging and certainly the President-elect's background is one of considerable financial soundness. If confidence can be produced in the minds of businessmen, then inventory replacement and capital expenditures by private industry should be stimulated and recovery should be prompt.

A word about savings — competition for the savings dollar will continue to be keener and more and more inducements to attract savings will be in evidence. Unfortunately, the savings banks in New York State can expect no great growth until they are permitted to be more competitive ratewise. It is indeed an anomaly that the State of New York is the only one in the Union which regulates the interest rate which may be paid on savings and this only with respect to depositors of mutual savings banks.

*An address by Mr. Bender on the "Mortgage Outlook for 1961," sponsored by the Real Estate Board of New York, New York City, Feb. 2, 1961.

Hare & Weedon Elected V.-Ps. of Waddell & Reed

KANSAS CITY, Mo.—The election of E. Waln Hare and Sidney L. Weedon, veteran mutual fund executives, as Vice-Presidents has been announced by Waddell & Reed, Inc., 20 West Ninth Street, distributor of the United Funds, Inc., group of mutual funds.



E. Waln Hare Sidney L. Weedon

Mr. Hare willl serve as a Vice-President in the Sales Department of the firm's home office at Kansas City. Mr. Weedon, elected a Resident Vice-President, will be headquartered at the company's offices at 40 Wall Street, New York City.

Mr. Hare has been in the mutual fund business 25 years. He joined Hare's Ltd., distributor of Institutional Shares Ltd., in 1935. Hare's was founded by his father, Emlen S. Hare. Two years later Waln Hare established the company's wholesale department. He served as Vice-President and a Director of Hare's until June, 1952.

In July, 1952, Mr. Hare joined National Securities & Research Corp as Vice-President in charge of sales. He served in this capacity until his resignation last December.

Mr. Weedon has been in the mutual fund business since 1936. He was formerly a Vice-President and director of The Crosby Corp., Boston, distributor of Fidelity Fund and Puritan Fund. He also was Vice-President of Fidelity Management and Research Co.

During World War II Mr. Weedon, a colonel, was Chief of the Intelligence Branch, Chemical Warfare Service, in Washington. Later he served as Assistant Military Attache for the American embassies in London, Paris, Brussels, The Hague and Berne.

Joins Zilka, Smither

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Wallace G. Newhouse has joined the staff of Zilka, Smither & Co., Inc., 813 Southwest Alder Street. He was formerly with Blyth & Co., Inc.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Hartford Gas Company Offers Unique Heating-Cooling Service

Hartford Gas Company, with annual revenues of about $9 million, supplies natural gas to Hartford, Connecticut and a number of neighboring cities with a total population of some 350,000. Gas is also sold to Hartford Electric on an interruptible basis. The company's changeover from manufactured gas to natural gas began in 1953 and was completed in September, 1959. In April, 1960 the rates for space-heating were reduced about $211,000 per annum; a reduction of $125,000 had also been made in 1954.

The company's output has more than doubled in the past decade, partly as a result of the change to natural gas. Revenues in 1959 were obtained as follows: residential 31%, space-heating 38%, commercial 13%, industrial 12%, wholesale and miscellaneous 6%.

Capitalization is approximately 45% debt, 4% preferred stock and 51% common stock equity. No equity financing has been done in recent years, but stockholders were given rights in 1955 to subscribe to $1.5 million convertible debentures, a substantial part of which have now been converted; the debentures are convertible on the basis of $27 per share of common, payable by surrender of $25 par value of debentures and payment of $2 in cash.

Share earnings have been as follows:

1960	$3.12	1956	$3.01
1959	2.61	1955	2.17
1958	2.30	1954	3.08
1957	1.89	1953	2.42

The stock, which is rather inactive in the over-counter market, has been quoted at 55 bid recently. The present dividend rate is $2.40, having been raised from $2 nearly a year ago; at the bid price the yield would be 4.4%, and the price-earnings ratio 17.6.

Hartford Gas announced last July that it would build a new $3 million plant in downtown Hartford to supply the Constitution Plaza development area with heating and air-conditioning, through two miles of steam and chilled-water pipelines. Details of the new project were released at a recent luncheon meeting where talks were made by President Jebb of Hartford Gas and representatives of Carrier Air Conditioning (which will produce the water-chilling machines) and Seelye, Stevenson, Value and Knecht (who prepared the economic studies and designed the system). Hartford Gas will sell its air-conditioning service in much the same way utilities currently distribute gas and electricity, with meters to determine the amount of steam and chilled water used by each building's air-conditioning system. The new plant will be completed next year and Mr. Jebb estimated that revenues from buildings purchasing heating and cooling should reach $1 million to $1.5 million annually within four years.

Constitution Plaza is a $35 million renewal project in the center of Hartford, expected to open in 1963. It will contain three major office buildings, a 250-room hotel, a new broadcasting station and a shopping center. Hartford Gas will also handle air conditioning requirements for the main office building and a number of other buildings operated by the Travelers Insurance Company of Hartford, sponsor of Constitution Plaza. The company also expects eventually to serve the $10 million Bushnell Plaza project and the Riverview project, both involving "high rise" apartment buildings (as part of the redevelopment plan), as well as other new and existing buildings in the area.

The new service will permit the company to increase its gas usage substantially during the summer months in order to produce steam-generated cooling, thus balancing the heavy use of gas in winter for heating. Hartford Gas is pioneering in this new project, which opens up a new field for development by other utilities throughout the country. Russell Gray, President of Carrier Air Conditioning Company, cited a list of 50 projects across the country which, with nearby buildings, would require an estimated two-thirds to four-fifths of a million tons of cooling. If utilities were to provide cooling and heating service, the gross revenues could total $80 to $100 million annually, he said.

The new project when completed will thus furnish an interesting "display model" for the gas industry. Where new projects are being built on a substantial scale, the central plant approach eliminates the need to provide duplicate equipment for a number of buildings, reduces original cost per ton for cooling equipment, lowers fuel costs by obtaining quantity discounts, frees building space for more useful purposes, reduces capital investment and mechanical responsibilities for the building operator, and permits better smoke control. On the other hand, disadvantages from a cost standpoint are the length of the pipelines and the problems of putting them underground.

Cons. Nat. Gas Debens. Offered

An underwriting group headed by Morgan Stanley & Co. and The First Boston Corp. and comprising 75 investment firm offered for public sale on Feb. 8 a new issue of $45,000,000 Consolidated Natural Gas Co. 4¾% debentures due Feb. 1, 1986. The debentures are priced at 100¾% and accrued interest to yield approximately 4.325% to maturity. The issue was awarded to the group yesterday on its competitive bid of 99.92% which named the 4¾% coupon.

A sinking fund for the debentures provides for annual payments commencing Feb. 1, 1966, calculated to retire 80% of the issue before maturity. The initial sinking fund redemption price is 100.74%. Optional redemption prices range from 105.13% to the principal amount.

Consolidated Natural Gas is a holding company whose six operating companies constitute an interconnected natural gas system engaged in all phases of the natural gas business.

Proceeds from the sale of the debentures will be used to pay a short term construction bank loan of $25,000,000 and to finance in part the 1961 construction program of the Consolidated System. The System expects to make plant expenditures in 1961 of approximately $70,000,000. Plant expenditures for 1960 amounted to around $58,500,000.

For the 12 months ended Sept. 30, 1960 the company reported total operating revenues of $359,711,000 and gross income before income deductions of $41,257,000. For the 1959 calendar year total operating revenues were $334,453,000 and gross income $38,084,000.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The stock market rally which had been underway virtually unimpeded throughout the new year, bumped into a wall this week and the reaction was enough to rate as a correction, although still a mild one.

The resistance cropped up when the industrial average was on the brink of testing the 655 area where a rally last June had topped out, making that spot a critical one for the future of the market advance.

Overdue Correction

With a gain in the senior average approaching 40 points so far this year, and with little in the way of setbacks while it was achieving it, a correction was not only thoroughly in order but even a bit overdue. So the heaviness caused little excitement and no surprise even though the one day attrition was the sharpest setback since one late last September. At that time the average was on its way down to the low of 566 posted in October.

The sterling performance of the industrials, in particular, in the rather complete absence of any encouraging statistics from business sources, continues to be something of a wonder since the pundits are still arguing over whether the business upturn will arrive in the spring, or the recession will drag on to the fall.

Nevertheless, the consensus was that the 655 area would be penetrated before the new confidence among investors runs out of steam. For one, efforts to spur the economy were building up, including efforts to pay income tax rebates in a rush from an agency far more noted for collecting all it can.

Hot and Cold on Steel

The cyclical issues that had led the parade so far this year, were somewhat neglected like the general market, notably the steels. There is still no sign of a pickup in steel orders generally. To some, the foreign competition and the inroads made on steel use by competing metals precluded any sudden upsurge in steel buying even when the general economy goes into a boom. On the plus side is that some of the steel companies showed a new profit-making ability at operating rates that, a few years back, were generally regarded as below levels where any profits could be made.

Instead of such basic, cyclical industries, some of the market students were more concerned with eyeing the areas where the Federal Government could spur business, such as liberalization of the depreciation allowances. Such action would be more of a spur for the machinery issues than for the metal ones

The machinery issues have not had a day in the sun in a long while. Cincinnati Milling had a runup in 1955 that culminated in a stock split, but last year the shares had dropped to half the price of the 1956 peak. The price of the shares improved during January but were still well below the high and the range from last year's low to the 1961 high was still less than a score of points.

Chicago Pneumatic Tool similarly has been neglected since its day of popularity that resulted in two stock splits and a good stock dividend between 1954 and 1947. It held last year in a range of less than eight points, and also showed stirrings recently but is still well below its 1959 peak.

Favored Construction Machinery Firms

The construction machinery firms also were favored on the theory that the important stimulus to the nation's economy will come via construction projects. Clark Equipment was something of a popular item in this group although its heavy machinery line, using the name Michigan, is a comparatively recent business for it since it was only started some seven years ago.

Clark Equipment has been considerably less than a ball of fire marketwise as it suffered through the 1960 recession, barely covering its dividend. Lately it has been hovering about midway in the narrow, 14-point range it built up in 1960-61. It does leave the issue in a postition to reflect any pickup in business, particularly since it is supplier to the makers of heavy trucks and agricultural equipment through its basic business of making drive mechanisms. It is also one of the American firms active in overseas markets where sales of American products presumably are to be pushed by the new Administration to overcome the balance of payments deficits.

Re-Emerging Chemicals

Another profit-pinched industry that was back in some regard, at least as far as market comment was concerned, is the chemical one. These shares have been well deflated in recent months to where they represent better basic value than the so-called "growth" issues that are still selling by conventional yardsticks at prices that anticipate much of the future growth.

The issue that has seldom appeared in the market spotlight in the chemicals group is Dow Chemical. It is a company long on research and has built up its work in plastics to where it now provides better than a third of its sales. It is still expanding and only recently acquired Allied Laboratories to add drugs to its diverse lines that include magnesium in its more than 700 products. The shares lately have been holding some two dozen points under last year's high. Dow demonstrated its rebound ability after the 1953 recession by its shares nearly doubling as the general economy picked up and could duplicate that feat with all its new products when the turnabout comes again.

Heyden Newport Chemical is the exception in the chemicals in that it is selling lately above its 1959 high which is not the pattern for most other companies in the field. The company as it exists today is a somewhat new one formed by a merger in 1957. Since the merger its sales and earnings have been improving without showing the profit-pinch prevalent elsewhere, and there is no sign that the uptrend can be other than stimulated by a general pickup for the nation's business.

The Improving Oils

Oils continue to show selective demand and superior earnings reports, making these long-laggard items the better-acting ones in 1961 markets. The hidden potential in the oils is the "cash flow" which runs far ahead of the reported earnings through the depletion favoritism given oil companies by the tax laws. There was a bit of a chill over prospects that this depletion allowance would be tampered with, but they have been dying down as the new Administration shows determination to spur better business first before getting into any controversial tax changes. Kerr-McGee, for instance, is expected to show earnings of around $6.50 for its fiscal year ending in June but the cash flow is expected to approach $20.

The play in the publishing issues has died out a bit, much of it skipping by McCall Corp. despite its aggressive expansion program. The rub here is that it has been more noted for its magazine publications than as a book publisher where the investor demand has been centering. Nevertheless, McCall is an important printer of such as *Reader's Digest*, *U. S. News* and other periodicals totaling some two-score in all.

Shares of McCall are largely held by Hunt Foods which took on majority control in 1956, a 42% interest in the only 688,000 shares which is McCall's total capitalization. With such a small float the shares have the potential for volatile action, but held through 1960-61 in a range of only a score of points. The latest in the moves to expand its activities is a proposed acquisition of the *Saturday Review*, one of the top publications in the literary field.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Gift in Memory of Winthrop Smith

George E. Koenig (right), Vice-President of the Manufacturers Trust Company and Assistant Treasurer of the New York Arthritis and Rheumatism Foundation, presents a $2,500 check to James N. Burrows, Director of the Institute for the Crippled and Disabled. The Arthritis Foundation made the donation to the Institute in memory of Winthrop H. Smith, late Chairman of the Board of Merrill Lynch, Pierce, Fenner & Smith Inc.

A $2,500 donation to the Institute for the Crippled and Disabled in memory of Winthrop H. Smith, late Chairman of the Board of Merrill Lynch, Perce, Fenner & Smith Inc., is announced by the New York Arthritis and Rheumatism Foundation.

Mr. Smith died Jan. 10 in Litchfield, Conn. He was a close associate of Edward Allen Pierce of the Merrill Lynch firm, who is President of the Arthritis Foundation. Mr. Smith was instrumental in bringing about the merger in 1940 of Mr. Pierce's firm with Merrill Lynch and the other concerns which joined to form one of the world's largest brokerage houses.

The contribution to the Institute for the Crippled and Disabled will be used to build up a vocational rehabilitation service operated by the Arthritis Foundation in cooperation with the Institute for the benefit of persons who are forced out of employment by crippling arthritis.

Over a seven-year period the service has consistently enabled more than 40% of its patients to return to active, productive employment.

Merritt V.-P. of Winslow, Cohu

Winslow, Cohu & Stetson, Incorporated, 26 Broadway, New York City, members of the New York and American Stock Exchanges, have announced the election of Henry C. Merritt as a Vice-President. In joining the firm, Mr. Merritt will be associated with Winslow, Cohu & Stetson's Institutional Department.

Prior to joining Winslow, Cohu & Stetson, Mr. Merritt was with Delafield & Delafield. Mr. Merritt is a past Vice-President of the Association of Stock Exchange Firms.

Paul Gaither With L. Cook

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Paul Gaither has become associated with Lawrence Cook & Co., 1717 East Ninth Street, members of the Midwest Stock Exchange. Mr. Gaither was formerly President of Gaither & Co., Inc., which has been dissolved.

Also associated with Lawrence Cook & Co. are Loretta A. Brennan and John R. Kosarsky who were previously with the Gaither firm.

NASD and the Registered Rep.

The National Association of Securities Dealers has issued a new booklet entitled "The NASD and the Registered Representative," to tell those working for brokers and dealers, specifically those selling securities, what the business conduct rules are that they have bound themselves to observe. Also included in the booklet is a section on "Moral and Legal Obligations of a Registered Representative," and one on "The Effects of Revocation of Registration."

Copies of the booklet may be obtained from the National Association of Securities Dealers, 1707 H St., N. W., Washington 6, D. C.

Jefferson Planning Formed

Jefferson Planning Corp. has been formed with offices at 377 Fifth Avenue, New York City, to engage in a securities business. Officers are Bernard Spector, President; A. Fred March, Executive Vice-President and Treasurer; and Norman E. Schildkraut, Executive Vice-President and Secretary.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Views Regarding Investment Skill

Security salesmen are constantly faced with the problem of helping people set up a sensible investment program and then see them disregard it and become impatient if results do not come up to their expectations in a year or two. The investment counseling firm of David L. Babson and Company of Boston issues a weekly staff letter, and this column's subject is covered most competently in their issue of Jan. 23, 1961. I would like to quote you as follows:

"In the last several years the number of people buying stocks for the first time has increased greatly. This broadening in the number of share owners is a healthy development. But, unfortunately, many of these new investors are very much preoccupied with speculative issues, short term developments and immediate price action.

"The heavy risks they are taking may pay off for those who are lucky, but if past experience means anything, the majority will wind up with a collection of 'cats and dogs' and disillusioning losses. It is a fact that most investors never establish a long term plan and those who do, too often stray from it at the wrong time.

"To build a sound, well balanced portfolio of common stocks, **each one** of which fits the investor's basic plan and objectives, seems like as easy assignment. Actually it is far more difficult than it sounds. It requires great self-discipline to hold to the program originally laid down and calls for a more cold blooded and unemotional attitude toward one's own capital than most people can maintain unassisted."

Case History (Typical)

The letter then goes on to tell of an investor who was an executive making a high income who brought a portfolio of highly speculative stocks to their attention in 1951. He had not been following any plan and, since he was in his mid-fifties, he agreed that his objective was to build capital so that he could augment his pension that he would receive 12 years later. A portfolio of high grade growth stocks was established and the very marginal speculative items were sold out.

Between 1951 and 1953 the newly acquired growth-stocks declined largely because the excess profits tax of the Korean War bore most heavily on such companies and partly because of temporary soft prices in some industries. The client decided to discontinue his advisory service and he wrote, "I appreciate your viewpoint and I have no doubt that over a sufficently long term, your program would produce growth in almost any investment account. I should like to point out also, however, that it isn't necessary to employ investment counsel to know that the stocks you mentioned are good to own (excellent blue chips growth stocks) etc." He terminated his agreement.

Despite the excellent answer to this comment which was as follows he did not renew his advisory service: Babson's reply: "I would like to say a few words about your thought that 'it isn't necessary to employ investment counsel to know that the stocks you own and numerous others are good stocks'.

"Prescribing what should be obvious is often the most important service professional people can render. For instance, a man may be greatly overweight. He **ought** to know that he is. However, it takes a checkup by a heart specialist to get him to do anything about it.

"I was also interested in the following comment in your letter: 'I have no doubt that over a sufficiently long-term, your program would produce growth in most any investment account. You have stated the *exact* reason why we urge investors in your circumstances to follow the policy we have advocated for you. Certainly speculating in obscure, unseasoned, marginal securities does not fit your own description of what we advocate for your account."

The Test and the Proof

There is more to this excellent correspondence with this client that we cannot repeat here but the upshot of the whole matter is that recently this same investor came back to his counsel and asked them for an opinion of his list as it stands today. The issues he had owned when he discontinued his relationship with the David Babson organization accounted for two-thirds of the total profit on the current portfolio although he had actually sold one-half of the original list.

The letter concludes: "This case is not exceptional. We have observed many instances where investors have strayed from their planned programs and ended up with far less favorable results. They have sold suitable securities when prices were low and then reinvested the money in the next period of optimism in issues they thought would go up in price but which were unsuited to their basic objectives."

* * *

P. S. The conscientious security salesman has the same problem. How often have you advised good stocks for a growth objective, or income securities for an income objective, then have some client become discouraged because his securities temporarily declined in value? This happens to the best investment counsels, your customers, everyone. What people do not realize is that their investment objectives are particular and personal and that the best thing a security salesman can do for his clients is to help them lay out a sound program and STICK TO IT. Most people want to invest properly over the longer term, so that they will protect and increase capital. Unfortunately, too many confuse this practical, workable idea with speculation for the short-term, especially when everyone else has the fever. As Mr. David Babson says it, "The most important thing we do for clients is, helping them to do what they **ought** to know they should do and dissuading them from doing what they ought to know they should not do."

Course for Reg. Reps. on Coast

The fourth course of the Los Angeles Institute of Finance for training and qualifying registered representatives for the securities industry will begin Wednesday, Feb. 15, 1961. The course, which is co-sponsored by the Pacific Coast Stock Exchange, the New York Stock Exchange and the Los Angeles group of the IBA in cooperation with U. C. L. A. will be conducted at the U. C. L. A. Extension Center, 813 South Hill Street, Los Angeles.

The course has been designed to help in the training of anyone entering or desiring to enter the securities industry. It will emphasize the practical aspects of carrying on the day-to-day operations of a job. Theory and principle will be introduced through lectures, readings and discussions to serve as a foundation on which to build experience and practical training.

Dr. John C. Clendenin, Professor of Finance, Graduate School of Business, University of California at Los Angeles, will serve as coordinator for the course. Representatives of the securities industry will serve as instructors on phases of the business in which they have had successful experience.

The New York Stock Exchange and Pacific Coast Stock Exchange will waive the customary examinations for becoming a registered representative if a candidate successfully completes this course.

Three previous courses have been held which qualified 105 individuals as Registered Representatives of Stock Exchange firms. Further, for those wanting to enroll, details may be obtained by calling Mr. John Guyer at the Pacific Coast Stock Exchange at MAdison 7-8741.

Pastnernack Admits

Pasternack & Co., 92 Liberty St., New York City, members of the American Stock Exchange, on Jan. 19 admitted David Schwartz to limited partnership in the firm.

Verace Partners

On Jan. 15 A. Harold Schwartz and Gilbert Schwartz became limited partners in Verace & Co., 52 Broadway, New York City, members of the American Stock Exchange.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury, in making available to short-term buyers $6.9 billion of 3¼% notes due Aug. 15, 1962, not only took care of the Feb. 15 maturity of 4⅞% securities but also offered an obligation with a yield high enough to attract funds that are looking for high grade liquid obligations. By keeping the supply of near-term issues plentiful the return on these securities should be large enough so that some, if not most of the "hot money" which has plagued the international position of the dollar and aggravated the gold picture, should stay right here at home.

The single issue which was used by the Treasury in its February refunding was a bit of a surprise since most money market experts were looking for an optional deal. There is no doubt but what the 3¼% note was well received and small allotments are being looked for, aside from those buyers who are getting preferred treatment. By selling a "little more" than the $6.9 billion which is coming due the Treasury will be able to pick up some new money.

In Line With Market Expectations

The first refunding operation of the Kennedy Administration was not only a cash venture but also it was pretty much according to what the financial district had been looking for. The issue which was offered to investors for cash was an 18-month 3¼% note coming due on Aug. 15, 1962. This kept the refunding obligation very much in the near-term sector of the government market. It is evident that the monetary policies of the new administration are not yet too far different from those which had been in operation under the Eisenhower government. The money and capital markets continue to give evidence of a constructive attitude because monetary policy will beyond any doubt continue to veer towards the side of ease as long as there is any question about the pattern of the economy which is still on the defensive and unemployment is still a problem.

The $6.9 billion of 4⅞% certificates which come due on the 15th were held in the main by the Central Banks and Government trust accounts, with approximately $3.6 billion being owned by these Federal investors. The balance of $3.3 billion were held by public investors. The Federal Reserve Banks, even though this is a cash operation, are expected to be among the important buyers of this short-term refunding issue and this would be in line with the past policies of the Central Banks. In addition, it would not be surprising as far as the financial district is concerned, if many public and private institutions and individuals have also made sizable commitments in this near-term (note) refunding obligation.

Defer to Liquidity Requirements

It is evident that the Treasury in taking care of the February maturity with an issue that is in the short-term area is supplying the needs of those investors who are inclined to put their funds into the most liquid obligations. This is not an unusual development in the face of the existing uncertainties at home and the trend of free world economic conditions. It is indicated that the boom which has been so strong in countries like Germany, Italy and Japan is slowing down and may be coming to an end. England and France are also currently on the defensive as far as business in these countries is concerned.

The Treasury, in keeping offerings away from the long-term sector of the capital market, probably means that investors who are in need of bonds with a distant due date will have to make commitments in a market that will continue to be constructive since there will not be a flood of government bonds to push these yields up. In time, when the capital market is in need of new offerings so as to meet the demand for funds seeking such an outlet, and after private industry has had an opportunity to get more financing done the Treasury could start on a debt extension program through the flotation of long-term obligations to replace some of the near-term issues as they come due.

Lower Long-Term Rates Possible

However, it seems as though the recovery in business and the putting of people back to work are the most important things to be accomplished first. And not a few money market specialists believe that lower long-term interest rates is one of the ways in which this problem can be helped. Therefore, it would not be a surprise to these people, if there should be a near-term money market rate with stable to advancing tendencies and a long-term capital market rate with declining tendencies.

Datamation, Inc. Common All Sold

Pursuant to a Feb. 2 offering circular, Bertner Bros. and Earl Edden Co., both of 63 Wall St., New York 5, offered and sold 80,000 shares of Datamation's common stock at $2 per share.

Datamation after a years and a half of business life now has 25 customers in New Jersey and New York. Management feels it has scarcely begun to reach the potential users of its services in the tri-state area of New York, New Jersey and Connecticut.

Datamation has concentrated on developing business in the area of payroll accounting, a universal business problem with a non-postponable deadline. From time cards and other documents, The Company is capable of preparing complete payrolls and providing analyses of any types required. It can, for example, calculate and record information pertaining to payroll and deduction registers, checks and earnings statements, quarterly reports and labor distribution. The company maintains its office and data processing center at 100 South Van Brunt Street, Englewood, N. J.

Allen E. Shaw Joins Pacific Coast Securities

(Special to THE FINANCIAL CHRONICLE)

SAN MARINO, Calif.—Allen E. Shaw has become associated with Pacific Coast Securities Company. Mr. Shaw was formerly President of Shaw & Company, 2319 Huntington Drive.

Also associated with Pacific Coast Securities are John W. Ayers, Dean L. Givens and Richard B. Washburn, all formerly with Shaw & Company.

With A. C. Allyn Co.

CHICAGO, Ill. — Stephen M. Sadlek is now with A. C. Allyn & Co., 122 South La Salle Street.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The appointment of Delmont K. Pfeffer as Senior Vice-President has been announced by the **First National City Bank of New York.** Mr. Pfeffer is in charge of the Bank's bond division. He joined the predecessor National City Bank in 1934 after service in the municipal department of the **Guaranty Company of New York.** He was appointed a Vice-President in 1942.

Delmont K. Pfeffer

* * *

The Chase Manhattan Bank, New York, has received approval for a branch in Westchester County at 3 South Central Park Avenue, Hartsdale, N. Y.

* * *

The First National City Bank of New York, New York, has increased its common capital stock from $244,800,000 to $249,696,000 by a stock dividend, efective Jan. 19. (Number of shares outstanding 12,484,800 shares, par value $20.)

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First National City Bank, New York, opened its 77th overseas branch Feb. 6, in the Panama Hilton Hotel, Panama City.

Thomas L. O'Donohue will be in charge of this new Hotel El Panama branch.

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William R. Cross, Jr., Vice-President of **Morgan Guaranty Trust Company of New York,** has been named head of the bank's Fifth Avenue office. Mr. Cross was elected a Vice-President of Morgan Guaranty in 1959.

All three of Morgan Guaranty's midtown offices remain under the general supervision of Jere D. Buckley, Vice-President.

* * *

Special meetings of the stockholders of **Manufacturers Trust Company, New York** and **The Hanover Bank, New York,** will be held on March 8, to vote upon the proposal to merge the two institutions. Plans to form the new institution, to be known as **Manufacturers Hanover Trust Company,** were originally announced on Jan. 17.

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Appointment of Edward R. McAuliffe as a member of the Lower Brooklyn Advisory Board of **Manufacturers Trust Company, New York,** was announced by Horace C. Flanigan, chairman of the board of the Bank.

Mr. McAuliffe is president and member of the Board of Trustees of the **Bay Ridge Savings Bank.**

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William L. Pfeiffer has been elected Chairman of the Executive Committee of **Commercial Bank of North America, New York.**

Mr. Pfeiffer is also a trustee of **Albany Savings Bank, Albany, N. Y.**

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Joseph Pulvermacher, President of **Sterling National Bank and Trust Company of New York,** announced the appointment of Donald R. Juhl to Assistant Cashier.

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On Feb. 1, Mr. John M. Ohlenbusch, 54, died. He was Senior Vice-President of the **Bowery Savings Bank, New York.**

He began has career with the bank in 1929 as a clerk and worked his way up to his last position.

Announcement is made by **Kings County Trust Company, Brooklyn, N. Y.** of the designation of George L. Titus as Vice-President in charge of the Trust Department. Mr. Titus, a Vice-President since 1954, succeeds George Gray who became Executive Vice-President on Dec. 22.

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The First National Bank in Yonkers, Yonkers, New York, has increased its common capital stock from $1,100,000 to $1,210,000 by a stock dividend, effective Jan. 27. (Number of shares outstanding 484,000 shares, par value $2.50.)

* * *

The application to merge the **National Bank of Argyle, Argyle, New York,** with and into the **Manufacturers National Bank of Troy, Troy, New York,** under the title of **The Manufacturers National Bank of Troy** has been approved. The effective date is to be Feb. 10.

* * *

The Putnam Trust Company of Greenwich, Conn., has announced that it has increased its Surplus Account from $2,300,000 to $2,400,000. This transfer is from Undivided Profits and entirely from accumulated earnings.

This addition is the first since the increase in Capital to $1,000,000 from $700,000 which was authorized by stockholders this past Jan. 10.

* * *

Richard K. Mellon, of **Mellon National Bank and Trust Company,**

Aiken W. Fisher

Frank L. Magee

Pittsburgh, Pa., announced that Frank L. Magee, and Aiken W. Fisher were elected as Directors.

* * *

The shareholders of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** authorized an increase in the capitalization and the number of shares outstanding to permit payment of a 2% stock dividend. Capital will increase from $65.237,775 to $66,542.550 and the number of shares outstanding from 2,609,511 to 2,661,702. If the increase is authorized and subsequently approved by the Comptroller of the Currency, the Board of Directors will declare the dividend at its meeting on Feb. 13.

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The appointment of Richard C. Buell as Vice President for **The First National Bank of Jersey City, New Jersey,** has been announced.

* * *

Howard L. Mason has been elected President of the **Irvington State Bank, Irvington, N. J.**

* * *

Carl K. Withers, New Jersey banker, died on Feb. 4 at the age of 65. Mr. Withers was President of the **Lincoln National Bank of Newark** until it was merged in 1955, with the **National State Bank of Newark.** He served as Vice-President of the latter Bank.

* * *

The Boards of Directors of the **Industrial Trust Company, Philadelphia, Pa.,** and of the **Jenkintown Bank and Trust Company, Jenkintown, Pa.,** have approved and voted to recommend to their shareholders a plan of merger and consolidation.

Corporate name of the bank will be **Industrial Valley Bank and Trust Company** when approved by the shareholders, and regulatory authorities.

Samuel Weinrott, President of the Industrial Trust Company will become Chairman of the Board and Richard W. Havens, President of the Jenkintown institution, will be President of the consolidated bank.

Present Industrial Board Chairman, Elmer S. Carll, will act as Vice-Chairman of the Board and Caspar Drueding, Industrial Trust's Honorary Chairman, will continue in that position.

William A. Schnader, Esq., Chairman of the Executive Committee of Industrial Trust will hold that position in the new bank.

Under the terms of the proposed consolidation, each shareholder of Jenkintown Bank will receive 2.8 shares of stock in the combined Bank, plus a cash payment of $2 for each share of Jenkintown Bank stock held as of the date of consolidation. Each shareholder of Industrial Trust Company will receive one share of stock in the combined bank for each share presently owned.

The proposed Industrial Valley Bank and Trust Company will have combined assets approaching $85,000,000 and deposits of close to $75,000,000.

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The National Bank of Slatington, Slatington, Pa., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 25 (Number of shares outstanding 2,000 shares, par value $100.)

* * *

The First National Bank of Dushore, Dushore, Pa., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 10,000 shares, par value $20.)

* * *

The First National Exchange Bank of Roanoke, Roanoke, Va., has increased its common capital stock from $2,560,000 to $2,688,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 268,800 shares, par value $10.)

* * *

The Merchants National Bank of Hampton, Hampton, Va., has increased its common capital stock from $200,000 to $300,000 by a stock dividend, effective Jan. 27. (Number of shares outstanding 6,000 shares, par value $50.)

The Union Bank of Clarksburg, Clarksburg, W. Va., has increased its common capital stock from $500,000 to $1,000,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 20,000 shares, par value $50.)

* * *

The Third National Bank and Trust Company of Dayton, Dayton, Ohio, has increased its common capital stock from $3,500,000 to $3,850,000 by a stock dividend, effective Jan. 24. (Number of shares outstanding 308,000 shares, par value $12.50.)

* * *

The Coshocton National Bank, Coshocton, Ohio, has increased its common capital stock from $300,000 to $500,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 50,000 shares, par value $10.)

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The First National Bank of McConnelsville, McConnelsville, Ohio, has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 2,000 shares, par value $100.)

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The Citizens National Bank of Evansville, Evansville, Indiana, has increased its comon capital stock from $1,250,000 to $1,500,000 by a stock dividend, effective Jan. 27. (Number of shares outstanding 120,000 shares, par value $12.50.)

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The Michigan Avenue National Bank of Chicago, Chicago, Ill., has increased its common capital stock from $1,050,000 to $1,155,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 57,750 shares, par value $20.)

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The South East National Bank of Chicago, Chicago, Ill., has increased its common capital stock from $625,000 to $875,000 by a stock dividend, effective Jan. 25 (Number of shares outstanding 35,000 shares, par value $25.)

* * *

The First National Bank of Winnetka, Winnetka, Ill., has increased its common capital stock from $200,000 to $400,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 4,000 shares, par value $50.)

* * *

Edwardsville, National Bank and Trust Company, Edwardsville, Ill., has increased its common capital stock from $200,000 to $400,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 4,000 shares, par value $100.)

The First Lake County National Bank at Libertyville, Libertyville, Ill., has increased its common capital stock from $150,000 to $300,000 by a stock dividend, effective Jan. 27. (Number of shares outstanding 30,000 shares, par value $10.)

* * *

The Manufacturers National Bank of Detroit, Detroit, Mich., has increased its common capital stock from $12,728,500 to $14,001,350, by a stock dividend, effective Jan. 20. (Number of shares outstanding 1,400,135 shares, par value $10.)

* * *

The Comptroller has approved an application to consolidate the **St. Johns National Bank, St. Johns, Mich.** and the **State Bank of St. Johns, St. Johns, Mich.,** under the title of **Clinton National Bank and Trust Company, St. Johns.** It is expected that the effective date will be March 1.

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The First National Bank of Neenah, Neenah, Wis., has increased its common capital stock from $600,000 to $750,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 37,500 shares, par value $20.)

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The First National Bank of Elk Horn, Elk Horn, Wis., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 24. (Number of shares outstanding 10,000 shares, par value $20.)

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The Fergus Falls National Bank and Trust Company, Fergus Falls, Minn., has increased its common capital stock from $200,000 to $300,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 3,000 shares, par value $100.)

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The Northwestern National Bank of Litchfield, Litchfield, Minn., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 2,000 shares, par value $100.)

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The First National Bank of Dubuque, Dubuque, Iowa, has increased its common capital stock from $600,000 to $800,000 by a stock dividend, effective Jan. 24. (Number of shares outstanding 16,000 shares, par value $50.)

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The First National Bank of Manhattan, Manhattan Kansas, has increased its common capital stock from $300,000 to $400,000 by a

Continued on page 28

MUTUAL FUNDS

BY ROBERT E. RICH

Land Lovers

The late Fiorello H. LaGuardia once told a man of substance: "Invest in the land. We politicians are always trying to figure out how to tax things away from you fellows who have some wealth. But the land always remains."

Well, the land may not be the perfect escape hatch, as many a Jersey City landowner has learned, but historically the people who have staked out a piece of land were able to fare comparatively well. In many parts of the world they've fared so well that revolutionaries have found a cry, for land reform can rally large numbers of people to their cause.

Land reform, of course, never has been an issue in the United States, where ownership of real estate, ranging from a small home site to substantial-size farm, has been within easy reach of nearly all people. Indeed, but for a lack of knowledge of real estate values, it is likely that additional hundreds of thousands of people would have acquired a stake in the land and buildings.

As everybody now knows, mutual funds proved a powerful answer to those who pleaded ignorance of stock values. And now we are about to witness an upsurge in real estate interest by the American public, due primarily to the success of the funds in the stock market.

Four years ago, it seems, the wedding of real estate syndications and mutual funds took place. The First Republic Company claims to have originated the plan. The company offered partnership participations in a New York building and also offered to reinvest the accumulated dividends in mutual funds. According to Ira Sands, Executive Vice-President of First Republic, an investor utilizing such a program creates a "double-barreled growth opportunity" for his invested dollar. Through a real estate syndication-mutual funds reinvestment program, as he sees it, an investor derives considerable security through diversification, tax shelter, high cash distribution, inflation hedge, broad distribution and professional management.

Thus far, says Sands, the income from $3,500,000 invested in real estate syndication has been reinvested by First Republic in such funds as Philadelphia Fund, Keystone Custodian Funds, Dreyfus Fund and M. I. T.

Sands is fond of saying that although land can not grow, its value does grow as demand increases. Thus, in his view, it seems reasonable to assume that real estate values in the years ahead should spiral upward as construction and our growing economy keep pace with the demands of a rising population and rising living standards. Says he: "The huge government expenditures, the demands of the labor unions, expanding social security benefits, etc., virtually assure a higher cost of living. This makes imperative that an investment account grow over the years."

Falling back on an old funds formula, Sands says that if $10,000 had been invested 10 years ago in a syndicate with an 11% return, the syndicate equity 10 years later should still be $10,000, plus the equity increases due to mortgage amortization, while the $90 monthly income from the syndicate, if invested in a typical mutual fund, over that 10-year period would have grown to about $33,000.

This fund growth, based on the past 10 years—a period of rising stock prices—should not be considered as a representation of the gain which may be realized from an investment in a fund today, Sands readily admits.

Based on the syndication volume of First Republic and the industry itself, Sands predicts investments in real estate syndications over the next decade will soar to more than $40 billion, based on the current annual rate of $3 billion. Investments in syndications since 1952 have amounted to about $10 billion while mutual fund investments totaled about $15 billion.

And what kind of real estate deals does First Republic get into? Well, there's the nine-acre Imperial Square at Hempstead, N. Y.; the Waltham Engineering & Research Center at Waltham, Mass.; the Fairfax Building at Kansas City, and parking centers in New York and Peoria.

The Funds Report

Aberdeen Fund at the end of 1960 shows total net assets of $17,449,-747, equal to $2.13 on each of 8,206,218 shares. This compares with $16,518,464 assets, $2.25 a share and 7,350,834 shares at the end of 1959.

* * *

American European Securities Co. reports net asset value per-share on Dec. 31 was $32.69, compared to $36.06 a year earlier. Net assets at the end of 1960 were $19,746,631, against $19,782,897 on Dec. 31, 1959. Number of shares rose during the year to 604,083 from 548,577.

* * *

American Research & Development shows at the end of 1960 net assets of $38,875,003, or $25.33 a share, compared with $23,459,278 and $19.80 a share a year earlier.

* * *

Blue Ridge Mutual Fund, Inc. announced that at the end of 1960 net assets amounted to $33,843,-474, assets per share $11.52 and shares outstanding 2,938,368. Comparable year-earlier figures were $34.128,687, $12.80 a share and 2,667,257 shares.

* * *

Boston Personal Property Trust reports that at Dec. 31 net asset value per share was $71.32, down from the $73.12 a year earlier.

* * *

Canadian Investment Fund Ltd. reports that in the final quarter of 1960 it bought Union Gas of Canada and added to holdings of Abitibi Power & Paper, Bell Telephone of Canada, Canadian Industries Ltd., Canadian Oil Companies, Dominion Foundries & Steel, Du Pont of Canada, Fraser Companies, Interprovincial Pipe Line, Shawinigan Water & Power and George Weston A and B shares. Over final quarter it eliminated its 4,000-share holding of Consumers Glass Company Ltd. and reduced holdings of Consolidated Paper Corp. Ltd., International Nickel, Page-Hersey Tubes, Steel Company of Canada and Hiram Walker - Gooderham & Worts.

* * *

Colonial Energy Shares reports net assets at Dec. 31 were $63,-214,497, or $12.82 a share on 4,931,335 shares. At its March 31, 1960, fiscal year-end net assets were $60,862,515 and $11.84 a share on 5,139,153 shares. Major investment changes during the quarter ended Dec. 31 included purchases of AMP, Brush Beryllium, Emerson Electric, General Electric, Stauffer Chemical, Tampa Electric, Texas Instruments and Union Texas Natural Gas. The company during the three months sold Air Reduction, Argo Oil, Atlantic Refining, Clevite, Halliburton, Kern County Land, Standard Oil Co. (New Jersey), Standard Oil of California, Sunray Mid-Continent Oil and Universal Oil Products.

* * *

Commonwealth Investment reports as of Dec. 31 net assets of $152,860,539, or $9.51 a share, compared with $152,475,557 and $9.68 at the close of 1959.

* * *

Consolidated Investment Trust reports total net assets at Dec. 31 amounted to $67,218,123, the equivalent of $22.04 a share on the 3,049,589 shares outstanding, compared with $23.37 a share on the 3,059,589 shares out at the close of the previous year.

* * *

Delaware Fund assets were at a new high of $100,943,805 on Dec. 31, up 10.7% from the start of the year. Net asset value per share, however, declined to $11.09 at the close of 1960 from $12.20 a year earlier. In the 12 months, shares outstanding rose to a record 9,104,370 from 7,468,970. At the end of 1960 preferred stocks, bonds and cash constituted 15.68% of total assets, against 11.29% at the close of 1959.

* * *

Per share net asset value of **Dividend Shares, Inc.** was $3 at Dec. 31, against $3.05 a year earlier. Total assets at the close of 1960 were at an all-time high of $277,-737,425. Number of shares outstanding also reached a new high: 92,688,693. Corresponding year-earlier figures were $276,344,392 and 90,482,222 shares. In the final quarter the company increased holdings of Anaconda, Babcock & Wilcox, General Electric, Gimbel Bros., Lehigh Portland Cement, Lone Star Cement, Pacific Gas & Electric, Radio Corp. of America, Sterling Drug, United States Steel and Westinghouse Electric. At the same time it eliminated Consumers Power, General Mills, Potomac Electric Power and Sherwin-Williams. It reduced holdings of Columbia Broadcasting System, Commonwealth Edison, Consolidation Coal, Deere, H. J. Heinz, Household Finance, International Paper, May's Department Stores, Northern Natural Gas, Owens Illinois Glass, J. C. Penney and Rochester Gas & Electric.

* * *

Dodge & Cox Fund reports that as of Dec. 31, 1960, net asset value per share was $42.89, off from the $43.65 shown at the end of 1959.

* * *

Energy Fund reports that at Jan. 31 total net assets were $16,733,-578, equal to $22.55 on each of 714,952 shares. This compares with $9,000,772 of assets, $19.74 a share and 456,024 shares a year ago.

* * *

Fairfield Securities, Inc. reports net assets at Dec. 31 totaled $1,-127,543, equal to $129.34 a share, against $684,888 and $117.03 a share at Sept. 30. In the three months to Dec. 31, second quarter of its year, the company made these major new additions: American Hospital Supply, Arizona Public Service, Baxter Laboratories, California Liquid Gas, California Oregon Power, Coastal States Gas, Combined Insurance Co. of America and Jim Walter Corp. During the period it eliminated Great Lakes Power and New Jersey Aluminum Extrusion "A."

* * *

General Public Service Corp. reports net assets at the close of 1960 totaled $51,255,601, equal to $6.49 a share. This compares with $47,355,306 and $6.18 a share at Dec. 31, 1959. The closed-end investment company said its "relatively good performance for the year was the result of an above-average showing of its long-term growth stocks, particularly in the utility group."

* * *

General Investors Trust reports at Dec. 31 asset value per share was $6.90, down from the $7.19 of Dec. 31, 1959.

* * *

Growth Industry Shares showed total net assets at the end of 1960 of $26,110,568, equal to $19.83 a share, on 1,316,686 shares. This compares with total of $22,293,442 and $20.12 a share at the end of 1959 when shares outstanding amounted to 1,108,149.

* * *

Guardian Mutual Fund, Inc. reports for the quarter ended Jan. 31, first three months of its fiscal year, net assets of $12,634,590, equal to $21.30 on each of 593,040 shares. This compares with assets of $9,018,414 and $18.58 on each of 488,844 shares on Oct. 31, 1960.

* * *

Institutional Investors Mutual Fund, Inc. reported that at Dec. 31 total net assets were at a record high of $56,667,062, or $231.66 a share. This compares with $46,-913,619 and $217.52 a year earlier.

* * *

Net assets of **Lazard Fund, Inc.** on Dec. 31 amounted to $125,389,738, or $15.93 per share, applicable at that date to 7,870,789 shares outstanding. Net asset value at the close of the previous year amounted to $16.62 per share.

At the close of 1960, the fund was 92.2% invested in equity securities, compared with 89.2% a year earlier. The remainder was in cash or liquid obligations of relatively short maturity.

Major new acquisitions during the final quarter of 1960 included Amerada, Bankers Trust, Borax (Holdings) Ltd., Firstamerica, Richardson-Merrell, Ruberoid, Standard Oil (Indiana) and Texas Pacific Coal & Oil.

* * *

Net assets of **Madison Fund** at Dec. 31 amounted to $144,803,342 and net assets per share totaled $21.32. Comparable year-earlier figures were $142,703,085 and $21.78. Net realized capital gains for 1960 amounted to $1.49 a share, compared with $1.35 a year earlier. At the close of 1960 the closed-end fund had 14.4% of its portfolio in cash and short-term securities, compared with 7.5% at the end of 1959. Major new purchases in the fourth quarter of 1960 included American Marietta, Boeing Airplane, Canadian Breweries, Georgia-Pacific, Plymouth Oil, Republic Aviation, Swift & Co. and Jim Walter Corp. During the quarter Madison Fund added 10,000 shares of Continental Oil. Meanwhile, it eliminated Arkansas Fuel Oil, General Electric, General Motors, MiddleSouth Utilities, Radio Corp. of America, South Carolina Electric & Gas and Southern Company. It reduced by 44,938 shares its holdings in Central Louisiana Electric.

* * *

Massachusetts Life Fund reports total net assets of $64,058,324 at Dec. 31, a new high and a rise of 11% from a year earlier. Net asset value at latest report was off to $21.06 from $21.42 at the close of 1959. Common stock holdings amounted to 59.16% at Dec. 31, 1960, against 56.55% at Sept. 30, 1960.

* * *

Nelson Fund, Inc. reports for the year ended Dec. 31 net assets of $2,370,109, equal to $3,970.03 a share, against $1,738,312 and $3,659.60 a share on Dec. 31, 1959.

* * *

Niagara Share Corp of Buffalo reports that at Jan. 31 net assets amounted to $64,186,313, or $23.75 a share. This compares with $59,-615,725 and $22.06 a share on Jan. 31, 1960.

* * *

Over-the-Counter Securities Fund reports that at Dec. 31 net assets amounted to $546,383, or $6.20 a share, compared with $383,084 and $5.97 a share at the end of 1959.

* * *

Pine Street Fund reports that at Dec. 31 net assets were $18,044,-100, or $11.43 a share, against $18,-601,683 and $12.15 a share at the end of 1959. Shares outstanding rose during the year from 1,530,-855 to 1,578,464.

* * *

Total net assets of **Pioneer Fund, Inc.** at Dec. 31 aggregated $41,-695,272, or $8.59 a share. This compares with $8.88 a share at the close of 1959 when assets amounted to $40,209,535.

During the past year the company added to its portfolio Cerro de Pasco subordinated convertible debentures, 5½s of 1979, and Champlin Oil & Refining, Dennison Mines, Iowa Southern Utilities, Mohawk Rubber, Simplex Wire & Cable, Texas Gulf Producing, Vitro Corp. of America and St. Paul Ammonia Products convertible subordinated debentures, 6s of 1969. Common stocks eliminated during the year included Dresser Industries, Joy Manufacturing, Norfolk & Western Railway, Pioneer Natural Gas, First Pelham Corp. and West Kentucky Coal.

* * *

Selected American Shares, Inc. reports that at the end of 1960 net assets were $103,094,026 and assets per share $9.21. This compares with $104,849,064 and $10.28 at the close of 1959.

* * *

State Street Investment Corp. during the final quarter of 1960 made new commitments in Farbenfabriken Bayer, Ginn & Co. and Monsanto Chemical. It also increased holdings in Skelly Oil and Gulton Industries. During these three months it eliminated from the Portfolio Bethlehem Steel, Mission Corp., Northern Natural Gas and Southern Union Gas. Meanwhile, holdings were reduced in such issues as Amerada Petroleum, Continental Can, Ford Motor, Hartford Fire Insurance, Polaroid, Royal Dutch Petroleum, Seaboard Air Line Railroad, Union Electric and United States Steel.

* * *

Net assets of **Stein Roe & Farnham Stock Fund, Inc.** rose to $15,860,306 on Dec. 31, as compared with $11,704,135 a year earlier. Net asset value per share was $30.10, compared with $29.19 per share a year ago.

* * *

Stein Roe & Farnham Balanced Fund shows at the close of 1960 net assets of $50,706,789, or $37.54 a share. Comparable year-earlier figures were $42,852,768 and $38.62.

* * *

Net assets of **Wisconsin Fund** attained an all-time high of $17,-062,996 on Dec. 31. A year earlier it was $16,163,558. Net asset value per share increased to $6.50 at the ened of 1960 from $6.40 a year earlier.

Inv. Analysis Course Offered

Three courses in investment and security analysis are offered this spring term in the Business Administration Center of The New School for Social Research, 66 West 12th St., New York City. Chief among them is a series meeting 15 Mondays at 5:30 p.m. on Advanced Investment Techniques by Leo Barnes, Chief economist and financial consultant, Prentice-Hall, Inc. Topics to be treated include techniques in using common stocks and other securities; leverage in buying and selling securities; special investment techniques; what to do about timing; what to do about taxes. Throughout the course specific investment opportunities that may be available in the areas under review are carefully explored in order to put theory to a practical test.

Martin Heilbrunn, a member of Bache & Co., will direct a workshop in introductory Security Analysis, Mondays at 5:30 p.m., and John G. Miller will begin a 10 session workshop "A Technical Approach to Stock Movements," Monday, Feb. 6 at 8:30 p.m. The course uses the "charting approach" to stock market movements with special reference to the widely used Dow Theory. It is prepared for the businessman-layman not the Wall Street professional.

Texas IBA Group To Meet Apr. 12-14

HOUSTON, Texas—The 26th annual convention of the Texas Group of the Investment Bankers Association will be held in Houston, Texas, April 12-13-14 at the Shamrock Hilton Hotel. The convention Chairman for 1961 is John J. Fosdick, Eddleman, Pollock & Fosdick, Incorporated.

Miller Newman Names Two V.-Ps.

As of Feb. 9, Arthur G. Truckenbrodt and Arnold K. Goldbaum have been elected Vice-Presidents of Miller, Newman, Zimmermann & Co., Inc., 30 Broad Street, New York City, members of the New York Stock Exchange.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

RELIANCE INSURANCE COMPANY (PHILADELPHIA)

To pave the way for the proposed acquisition of Standard Accident Insurance Company of Detroit, stockholders of Reliance Insurance Company are meeting this week (Feb. 9) to increase the authorized shares of the company. The shares will be increased from 1.2 to 2.4 million, an amount more than ample for an exchange of stock on the proposed share-for-share basis. Shares presently outstanding for Reliance and Standard Accident are 839,885 and 492,626, respectively.

Directors of both companies already have approved the exchange offer, and should the exchange be completed, Standard Accident will be operated as an independent subsidiary. In December, the proposed merger talks of Standard Accident with Fireman's Fund Insurance Co., San Francisco, were called off abruptly by mutual agreement. The offer by Reliance is contingent on acceptance by holders of at least 80% of Standard Accident stock as well as being subject to the approval of regulatory agencies.

A more balanced diversification will result since Standard Accident is one of the larger casualty insurance carriers in the nation with heavy representation in Automobile Liability, Workmen's Compensation, Fidelity and Surety lines; all casualty lines account for approximately 75% of net premiums written. Standard Accident's underwriting losses in recent years have been among the heaviest in the industry. With an underwriting profit margin of —3.7% for the first nine months of 1960, Standard probably experienced again an underwriting loss year in 1960.

Another proposal, the acquisition of Standard Fire Insurance Co. of Trenton, N. J., is presently underway. As of the beginning of February, Reliance is offering 2⅓ of its shares for each of the 40,000 outstanding shares of Standard Fire, a small property underwriter with assets of about $8 million. This consolidation step also is contingent on acceptance by holders of at least 80% of Standard Fire stock.

Until 1958, when the present name was adopted, Reliance was known as Fire Association of Philadelphia, one of the oldest insurance companies in the country, in honor of the fire brigade which founded the company in 1817. In 1958 Reliance Insurance Company of Philadelphia and Eureka Casualty Company were merged into the parent organization. The remaining wholly-owned subsidiaries, General Casualty Company of Wisconsin, acquired in 1956, and Hoosier Casualty Company of Indianapolis, acquired in 1958, broadened the underwriting lines of Reliance considerably. Wholly-owned Eureka Insurance Company was formed in 1959. Also in 1958, Reliance Life Insurance Company, wholly-owned, was incorporated with initial resources of $50,000. This step was taken to preserve the name for entrance into the life insurance field at some future time; life business at present is not being actively developed.

Operations for Reliance are nationwide with an agency organization of over 8,600 representatives. Reliance operates in Canada and in other foreign countries through the American Foreign Insurance Association.

Practically every line of insurance is written, except life. The automobile liability line continues to present the most serious losses in underwriting due to higher repair costs, increased jury awards, competition, and lags in rate increases. During the first half of 1960 a combined loss and expense ratio of 97.5% was reported for a profit margin of 2.5% Underwriting results for the full year probably were adversely affected due mainly to Hurricane Donna. Underwriting improvements nonetheless are indicated for Reliance due to continued refinement of risks selected, the contribution of increased rates, and more effective expense control. Auto merit rating policies have been offered in recent years and homeowners package policies are being sold at an accelerated rate. A newly created "Multiple Lines Department" provides for an intensified development in the package policy field on a nationwide basis. Reliance also has been following a policy of emphasizing more underwriting outside metropolitan areas.

As to premiums written, the leading states include New York, Pennsylvania, California, New Jersey, Illinois and Texas. The distribution of premiums written in 1959 was 60% for property lines, with strong representation in Fire, Auto Physical Damage and Extended Coverage. Major casualty lines include Auto Liability & Property Damage and Accident & Health coverage. As can be noted in the table presented underwriting results have fluctuated

Selected Statistics — Growth and Underwriting Control

	—Net Premiums—		Admitted	Loss	Expense	Profit
Year—	Written*	Earned*	Assets*	Ratio‡	Ratio§	Margin
1960†	$55.577	$54.083	$132.6	57.6%	42.2%	0.2%
1959	70.914	69.990	133.0	59.4	39.9	0.7
1958	67.542	66.713	127.9	61.2	40.9	—2.1
1957	56.364	57.263	109.9	64.9	41.9	—6.8
1956	55.919	56.067	114.4	61.9	41.5	—3.4
1955	46.655	45.624	108.3	58.3	42.3	—0.6

*In millions of dollars. †Nine months, 1960; Admitted Assets as of June 30, 1960. ‡Losses incurred to premiums earned. §Expenses incurred to premiums written.

Per Share Statistics*

	Approximate Price Range	Investment Income	Total Earnings	Dividend	Average P/E Ratio	Approximate Book Value
1960	59 - 44	†$4.60	†$5.25	$2.10	10.3	†$80.00
1959	49 - 37	4.27	4.85	2.00	8.9	78.26
1958	46 - 31	4.11	2.30	1.99	16.7	76.03
1957	43 - 27	3.96	—0.49	1.99	---	63.96
1956	52 - 37	3.84	1.26	1.94	35.3	68.90
1955	54 - 42	3.55	2.90	1.99	16.6	74.62
1949	52 - 38	3.49	8.90	1.68	5.1	77.87

*Adjusted for stock dividends, including 5% paid in 1961. †Estimated.

considerably; the sizable losses in recent years permit nontaxable earnings for the periods ahead, a situation which also exists for Standard Accident.

Investment policy for Reliance is considerably more liberal than the one followed by Standard Accident. At the end of 1959, bonds accounted for 40% of assets and stocks, 45%; this contrasts with 67% in bonds and under 15% in stocks for Standard Accident. Net investment income increased 7.4% during the first half of 1960 over the same period the previous year for Reliance. In recent years Standard Accident's growth in investment income has been considerably better than the record produced by Reliance.

At the recent price of 65 a yield of 3.4% is obtained, the same yield obtained on Standard Accident stock at the price of 59 on a $2.00 dividend. The current cash dividend rate of Reliance, $2.20 a share, was supplemented by a 5% stock dividend in 1960 and again in 1961. Investor interest in Reliance Insurance has centered primarily on either yield or cyclical recovery moves; the issue usually sells considerably below book value. A most satisfactory market appreciation recovery took place during 1960. In time, this issue may be able to attain a rank among the leading better quality multiple-line insurance stocks. Of benefit to stockholders, Reliance is among the few insurance issues listed (American Stock Exchange).

Resisto Chem. Stock Offered

Amos Treat & Co., Inc. and Bruno-Lenchner, Inc., offered on Feb. 6 200,000 shares of the common stock of Resisto Chemical, Inc. at a price of $2.50 per share. The shares were offered as a speculation.

Net proceeds from the sale of the shares will be used by the company for the redemption of preferred stock (including accrued dividends); purchase of machinery and equipment; and for selling and advertising expenses. Balance of the proceeds will be added to working capital for the purchase of raw materials, payment of operating expenses and general corporate purposes.

Resisto Chemical, Inc., with headquarters in New Castle, Del., is engaged in the development of protective coatings for packaging and fabrics, and of products with resistance to extremes of temperatures and corrosion. These products are intended for use in the rocket and missile industry.

Upon completion of the current financing, capitalization of the company will consist of 305 shares of 6% preferred stock, which are expected to be redeemed with the proceeds and 917,460 shares of common stock.

Now Marache & Co.

LOS ANGELES, Calif.—The firm name of Marache, Dofflemyre & Co., 210 West Seventh Street, has been changed to Marache & Co.

With A. C. Allyn

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—John H. Steinbach Jr. has been added to the staff of A. C. Allyn & Co., 30 Federal Street.

Endless Search for Value as Distinguished From Price

Continued from page 3

not be nearly so rugged for President Kennedy as when Herbert Hoover followed Calvin Coolidge. Financially and socially most Republicans have now married or at least embraced the "New-Fair Deal." Both political parties broke with tradition when it was agreed that currency or debt money (government obligations) could symbolize individual credit and community debt. With gold circulation outlawed, currency became valuable in the same manner that a ledger showing a credit balance becomes valuable. Either is proof of a service rendered by someone at some time. With or without the gold hoard at Fort Knox, is not the American silver or paper dollar — plus $292 billion U. S. bonds, notes and bills—a proof of credit guaranteed by 180,000,000 American people? By the same token, are not those colorful chips issued by plush Las Vegas casinos proof of credit guaranteed by the entrepreneurs operating along the famed strip? Like our currency or coins, are not the casino chips legal tender anywhere in Las Vegas?

With our total debt structure hovering probably now above the $1 trillion dollar level (source, Virginia's Senator Harry Flood Byrd), it is not unnatural for thinking Americans to be rightfully concerned about the future course of the American dollar. Yet does not the history of the commercial world since at least 1750 reveal that currency debasement is part of the price tag attributable to our rising living standard? If President Roosevelt's advisors and the Congress could make a case for raising the price of gold from $20.67 to $35 in 1934, would it be economic heresy to hint that President Kennedy's New Frontier could aim for a price of $70 or even $105 per ounce—the latter price suggested in certain observing British quarters? Do we continue wearing size 13 collars when the neck size is 15? Who knows with certainty where the natural price level for gold should be? To attain his ambitious economic goal, is it possible President Kennedy's New Frontier intends through the World Bank to arbitrarily set a per ounce price for gold annually by dividing the total price value of the free world's monetary stock by the existing total supply? This plan could lead to international manipulation by financial interests going "short" or "long" on gold but this would be incidental provided World Bank members could reach valid agreement on laws regulating international gold movements. With these random thoughts for background, let us proceed to discuss this second year of the Turbulent Sixties.

Bond Market

Due to expanding loanable funds and unquestionably a coming change in the interest rate pattern, a wide variance can be expected in price performance. Distinction should be made between those bonds with reasonable protection against redemption as distinguished from those with only a premium feature to prevent redemption. Selective convertible bonds should continue their popularity.

With certain issues, extreme patience will be required. These are the convertibles where conversion parity is far removed by the price of the stock. Examples: General American Oil convertible 4¾ of 1984 recently selling at 96 ($960 per $1,000 bond) are convertible into the stock at $40 where as these shares trade at 21. Douglas Aircraft convertible 4s of 1977 trade at 77 ($770 per $1,000 bonds). These bonds are exchangeable for Douglas at $92.23. With these shares presently at 30, the conversion value has obviously questionable value. Conversely, Phillips Petroleum convertible 4¼ trade at 116 ($1,160 per $1,000 bonds). With conversion price at 50, this bond premium is justified.

Excluding institutions which can stagger maturities on a year-by-year basis to attain balanced protection from fluctuating interest rates, widespread nonprofessional interest in bonds, other than tax-exempts and convertibles, should remain indifferent. Where contracts call for a return of only the number of dollars put aside, bonds are not the exception. Anyone investing $1,000 in a 3% 20-year bond in 1940 (tax-exempts excluded) received at maturity $600 of interest plus the initial $1,000, or a grand total of $1,600. In terms of prevailing prices, the $1,600 principal and interest has shrunk to $850. Capital loss—$150. It has been calculated that the shrinkage in the purchasing power of the benefits guaranteed by life insurance has alone shrunk $125 billion since 1940. Because political expediency dictates economic planning, debased money has been the popular choice of both political parties. Bonds should continue being redeemed with debased money.

Dow - Jones

This mercurial index will continue reflecting the most important single factor concerning selected common stocks—managerial performance. It is no mere accident that shares of Goodyear Tire & Rubber climbed some 1300% during the most prosperous decade in our commercial history while ailing Chrysler made a neutral showing. The top eight performers for Dow in the order named were Goodyear (1300%), Aluminum Company of America (725%), U. S. Steel (640%), General Electric (600%), Bethlehem Steel (580%), Eastman Kodak (540%), International Paper (525%) and Texaco (490%).

At the lower echelon of the 30 industrials were American Tel. & Tel. (80%), American Can (60%), American Tobacco (45%), Woolworth (35%), Swift (30%) and last-place Chrysler (0%). Westinghouse climbed 235% and Union Carbide 230%. Both concerns are spotlighted now for stellar performances as President Kennedy's New Frontier emphasizes peaceful nuclear pursuits. It is entirely possible U. S. armed forces will be pointed for conversion to nuclear energy in this decade. Tip-off is Kerr-McGee's observation, ". . . In the ensuing years we have become firmly committed in the uranium business because we are confident that nuclear energy will play an important role in meeting the nation's requirements for energy in the years to come." A guess—price range of 645-525 for Dow Industrials in 1961—like last year, an 18% swing.

Business

Slowdowns due to inventory indigestion and high consumer loans ($45 billion) will restrict business activity to levels approaching last year. Profit squeeze will tighten. Hardest pinched — the capital goods industries, particularly steel, paper, automobiles and housing. Resisting the profit squeeze — chemicals, drugs, selected electronics, utilities (telephone-gas-light), certain oils, tobaccos, foods, cement and special situations.

Expected—a modest six million new passenger car sales, including imports. Truck and trailer sales near one million. Unemployment should exceed five million by late Spring, then commence declining moderately. Stepped up public housing and defense spending should be under way with the first Democratic fiscal year beginning July 1. Housing starts moderately off to about 1.2 million. Capital outlays for new plants or facilities down $5 billion from last year's record $35 billion. State spending for schools and highways supplemented by a stepped-up defense budget and expanded highway and public housing program should aid business materially in the latter months. Unchanged from last year, farm income—around $34 billion. All in all, another solid year for the alert and competent businessman.

Stock Market

Institutional shifting of holdings rather than eager public participation should influence group price movement. We saw last year how unfavorable tax rulings hit large cement companies. Involved was the interpretation of the depletion credit as it related to raw material and finished product. Similar attacks can be expected on the larger petroleum units, interstate pipe lines, perhaps the trucking and television industry. Other divisions of industry — finance companies for example, are already hard hit by the avid acceptance of the compact car. The reduced price has throttled used car sales which means mounting losses on repossessions. Profit margins for leading finance concerns will be off at least 2% from a year ago.

If Oklahoma typifies the rest of the nation, the responsive magnet for inducing investors to clean house will unfortunately continue emphasizing price-range. Should not the responsive magnet be managerial skills based on actual performance tied to a minute examination of profit margins? In that oil capital at least, it is easier to induce someone to buy Standard of New Jersey at 43 (recent range 68-38) than either Kerr-McGee at 64 (recent range 70-36), Phillips Petroleum at 54 recent range 56-41) or Texaco at 84 (recent range 87-64). No one asks or seemingly cares why Jersey's market performance is so wretched when compared to, say, Kerr-McGee, Phillips or Texaco. Similar sales bait is related to capital structures. The fact that one concern has 500,000 shares, another in a related field 5,000,000, should have no bearing on a choice of ownership.

Who forgets the torrid Wall Street debates pitting Chrysler against General Motors? In 1954-1955, debt-free Chrysler had 8.7 million shares. General Motors had 87.4 million shares, almost ten times more capital stock—preference shares and debt. In tune with our Fabulous Fifties, General Motors soars to 145 and splits 3-for-1. Now with 282 million shares, General Motors trades at 43. With still only 8.8 million shares, the debt-free Chrysler of 1954 owes now $250 million and the shares at 39 are a single point away from their ten-year low.

Of the 10.1 million shares of Northwest Production, some 6.7 million are owned by El Paso Natural Gas. When these shares were about 7 (recent price 1), a well-planted tip was whispered that El Paso Natural Gas would acquire the minority stock at 12. Here was a young concern with an operating income of $766,000 and an appalling open-market valuation exceeding $75 million to be supposedly acquired for a figure exceeding $120 million. At precisely this same time, another youthful Texas concern, Coastal States Gas Producing was launched. Here was a hard sell because lacking was the glamour, the prestige and the strong financial backing of El Paso Natural Gas. Long on astute management, the hardy Texas buccaneers building Coastal closed 1960 with their shares at 60. At year-end, this youthful concern commands an open-market valuation exceeding $150 million. Meanwhile, star-studded Northwest Production closed the year with its shares at 75 cents—an open-market valuation under $10 million compared to $75 million some 36 months earlier. It would appear Coastal unassisted is doing the job intended for El Paso's Northwest Production. Astute management is the difference.

Science

Our mechanical age eliminates drudgery. Automation will eventually deliver six hours work to match today's production from 30 hours. The small turbine jet which could, if necessary, operate on tobacco juice is being road-tested with amazing advanced ceramics and alloys. Objective—production costs competitive with the water-cooled piston engine. Kaiser Industries is the exclusive licensor for the European adaptation of the Bessemer steel-making process which converts liquid air to pure gaseous oxygen. This advanced steel-making method emphasizes speed, economy and efficiency.

Damming the Bering Straits to warm up the Artic for the benefit of the United States, Canada and Soviet Russia is reported under serious study. Indicated cost — $15 billion. The first economic nuclear ship, Russia's Lenin, is powered by three nuclear reactors. It operates at full power indefinitely. This one atomic ice-breaker displaces groups of three conventional oil-burning vessels in clearing frozen shipping lanes. The Pathfinder, with a 66,000-kilowatt capacity, is being readied at Sioux Falls, S. Dak. Fueled with 4.5 tons of slightly enriched uranium, it will provide energy requirements next year for 130,000 people with a normal crew of 27.

At Virginia Polytechnic Institute, agronomists report producing six new tobacco strains with a record low tar and nicotine content. Discovery of pyroceram by Corning Glass Works is reported the most significant development in glass technology in history. Impart a crystalline structure and the result is a new engineering achievement of amazing qualities. It may be made clear, translucent or opaque. A pyroceram bar is harder than fused silica, stainless steel, cast iron, titanium, and 27 times harder than plate glass. The new materials are adaptable to guided missiles, etc., and have other important commercial applications. Readied for operation at Brookhaven National Laboratory is an atomic accelerator or microscope which visualizes atomic nucleus at distances measured in fractions of a trillionth of a centimeter. U. S. Naval research scientists believe a ring of dust placed in a rotating orbit around the earth will create eternal daylight. The dust layer supposedly picks up the sun's rays reflecting them back to the night side of the earth. Controlling the aging process, for example, hardening of the arteries, has been hopefully reported through the New York Academy of Science by scientists from three countries.

World-wide television is indicated once impending earth satellities pave the way. A home television camera to record family movies for use on the home TV set is promised. Light without glare will eliminate the dangers of night driving and flying. It will alter the appearance of homes, stores, factories and highways. By displacing the picture tube, this cold light will allow an adaptable, thin TV screen to be hung on walls like a picture. Using liquid nitrogen, the Union Carbide Linde Division is freezing whole blood at minus 320° F. Chemical and physical change is eliminated. Aim: to keep blood on hand for years instead of the allotted 21 days. Letters and pictures by facsimile transmission will be sent by microwave relay instead of plane. The source: Haloid Xerox and General Dynamics. Transmission is reported 400 times faster than conventional means. Vigorous lobbying from mail carriers, airlines and railroads, is expected. At an accelerated pace, obsolescence through intense research will plague orthodox communication and energy industries. The impending shake-down process will carve out manifold investment opportunities for those bold pioneers ready to accept change and progress.

Conclusion

Dr. Charles Mayo, one of the distinguished Mayo brothers, created a trust in 1917 which prohibited investment in corporate stocks and real estate. Answering the beneficiaries pleadings, Chief Justice Roger Dell of the Minnesota Supreme Court set aside permanently this 40-year-old trust indenture. Judge Dell claimed that inflationary processes are so potent that the trust's real value, reduced by half since Dr. Mayo's death in 1939, could be reduced at least another quarter in the ensuing 20 years. Judge Dell rightfully assumes that those solid political and public groups who oppose deficit financing or its counterpart, monetization of debt, are countered by an equally vocal group who claim our children and grandchildren should not expect our magnificent engineering and scientific triumphs to be bantered about on a silver platter.

After the Fabulous Fifties and the broken fiscal pledges of both the Democrats and Republicans, is it not senseless and futile reasoning to assume that or generation will accept gracefully the austerity required to arrest inflationary processes? We shall probably convincingly have this observation briefly tested during these Turbulent Sixties. Meanwhile, a generally buoyant stock market is indicated for most of the first half-year. This supposition is based on the fact that the Kennedy Administration begins operating in earnest next July, 1. Congress must first sanction the initial or early phases of the New Frontier. The impending price tags could be concealed until Congress reconvenes for its Autumn session. Meanwhile, advancing social security taxes, ruthless competition, price cutting and rebates plus a cost conscious public pushing for basement bargains should permit the stock market as measured by Dow-Jones to have its full share of turbulence.

Not surprising could be the eventual separation of the $41.5 billion defense appropriation from the regular budget followed by a Kennedy proposal to put defense and military spending on a pay-as-you-go basis. When needed, a national sales or manufacturers tax could provide additional funds. Disarmament with Soviet Russia appears an absurdity without binding Red China. Signs multiply that Russia is quite aware of Napoleon's sage observation, "Let China sleep. When she awakens the world will be sorry." Suggested reading for those who aim to keep tuned to future economic developments are, "The Affluent Society," and "The Liberal Hour," by John Kenneth Galbraith. Just as Stuart Chase is identified as the New Deal architect, so Mr. Galbraith can be identified with President Kennedy's New Frontier.

Rough seas, stormy weather and sudden squalls are traditional under our magnificent profit and loss system. Yet, the endless search for value as distinguished from price should be even more rewarding than in recent years. There is no need for despair. The darkness of the shadow is the measure of the brightness.

***The author's views and opinions are his own and are not to be construed as those of his firm.**

President's Message on Gold And Balance of Payments

Continued from page 15

parts. The first part describes those measures which will improve domestic monetary arrangements and strengthen international cooperation in economic and monetary policy. These measures will help us better to meet short-term demands on reserves such as those of recent years. The measures in the second group are designed to correct the persisting basic deficit in our balance of payments.

I. MEASURES TO EASE THE SHORT-TERM PROBLEM:

(1) Measures to improve international monetary institutions:

Increasing international monetary reserves will be required to support the ever-growing volume of trade, services and capital movements among the countries of the free world. Until now the free nations have relied upon increased gold production and continued growth in holdings of dollars and pounds sterling. In the future, it may not always be desirable or appropriate to rely entirely on these sources. We must now, in cooperation with other lending countries, begin to consider ways in which international monetary institutions—especially the International Monetary Fund—can be strengthened and more effectively utilized, both in furnishing needed increases in reserves, and in providing the flexibility required to support a healthy and growing world economy. I am therefore directing that studies to this end be initiated promptly by the Secretary of the Treasury.

(2) Use of United States drawing rights in the International Monetary Fund:

The United States has never made use of its drawing rights under the International Monetary Fund to meet deficits in its balance of payments. If and when appropriate, these rights should and will be exercised within the framework of Fund policies. The United States will also support continued efforts in the Fund to facilitate drawings by other members in the currencies of industrialized countries whose payments are in surplus and whose reserves are large. This will help to reduce the burden now borne by the dollar.

(3) Special interest rates for dollar holdings by foreign governments and monetary authorities:

(a) The Federal Reserve Act should now be amended to permit the Federal Reserve System to establish separate maxima for rates of interest paid by member banks on time and savings deposits held in this country by foreign governments or monetary authorities (Section 19, paragraph 14). This authority, when exercised, would enable American banks to make a maximum competitive effort to attract and hold dollar balances which might otherwise be converted into gold. At the same time domestic rates, when desirable for reasons of domestic policy, could be held at a lower level. I will shortly send to the Congress a draft of the needed legislation.

(b) I have directed the Secretary of the Treasury to use, whenever it appears desirable, the authority already extended to him by the Second Liberty Bond Act to issue securities, at special rates of interest, for subscription and holding exclusively by foreign governments or monetary authorities. The exercise of this authority could provide an additional inducement to hold foreign official balances in dollars.

(c) As a final means of holding or attracting foreign dollars, the Congress should enact a measure designed to unify the tax treatment accorded the earning assets of foreign central banks. At present, income derived by foreign central banks of issue from bankers' acceptances and bank deposits is exempt from tax under Section 861 of the Code. Income from United States Government securities, however, is taxable to foreign central banks in the absence of applicable tax treaty provisions or a special ruling exempting a particular bank from taxation under particular circumstances. Suggested legislation will shortly be forthcoming.

(4) Prohibition on holding of gold abroad by Americans:

The recent Executive Order forbidding the holding of gold abroad by Americans will be maintained. It was fully justified on grounds of equity. It will also help to prevent speculation in the gold market. I am directing the Secretary of the Treasury to keep me advised on steps being taken for effective enforcement. I place everyone on notice that those few American citizens who are tempted to speculate against the dollar will not profit in this manner.

II. MEASURES TO CORRECT THE BASIC PAYMENTS DEFICIT AND ACHIEVE LONGER-TERM EQUILIBRIUM:

(1) Action by the Senate to approve the Organization for Economic Cooperation and Development:

I earnestly request early action by the Senate approving United States membership in the Organization for Economic Cooperation and Development. The OECD, in which the industrialized countries of Western Europe, the United States and Canada will be joined, is of vital importance for assisting, on a cooperative basis, the developing countries of the free world. It will also provide a solid framework within which we can carry out intensive and frequent international consultations on the financial and monetary policies which must be pursued in order to achieve and maintain better balance in the international payments position.

(2) Export promotion:

The Department of Commerce will provide energetic leadership to American industry in a drive to develop export markets. Firms and industries will be encouraged to step up their efforts to develop exports and given every assistance in doing so. As American industry comes to realize the vital role of export earnings for our foreign policy, I have little doubt of its response.

We will promptly increase our commercial representatives and facilities abroad. This is a joint program of the Departments of Commerce and State which must proceed with drive and conviction in order to produce effective results. The budget which has already gone to Congress requests $1,250,000 for the State Department to add 41 foreign service commercial attaches overseas, together with 48 experienced foreign nationals and supporting American staff.

The new budget requests will also allow an increase in overseas commercial facilities. The Commerce Department is raising its trade mission program from 11 to 18 per year and will provide more useful information to our overseas posts. I am ordering rapid completion of our two new foreign trade centers at London and Bangkok and have requested the departments to explore whether three more could be added next year in Africa, Latin America and Europe.

(3) Cost and price stabilization:

Our export promotion efforts, no matter how well devised or energetically pursued, will not be effective unless American goods are competitively priced. Our domestic policies — of Government, of business and of labor—must be directed to maintaining competitive costs, improving productivity and stabilizing or where possible lowering prices. Measures to achieve these ends which are important for the domestic economy are even more vital for our international competitive position. I have already stated my intention of creating an Advisory Committee on Labor and Management Policy to encourage productivity gains, advance automation and encourage sound wage policies and price stability.

(4) Export guarantees and financing:

Our Export-Import Bank must play an increasingly important role in our export promotion efforts. Last year the Export-Import Bank announced a widening of the facilities which it offers for extending credit to American exporters. Despite the improvements made, these facilities are not yet adequate, nor are they comparable to those offered by foreign countries, especially those offered to small and medium-sized exporting concerns and those offered for the financing of consumer goods. I am directing the President of the Export-Import Bank, by April 1, to prepare and submit to the Secretary of the Treasury, as Chairman of the National Advisory Council on International Monetary and Financial Problems, a new program under the Export-Import Bank to place our exporters on a basis of full equality with their competitors in other countries. Also, I have asked the Secretary of the Treasury to initiate and submit by the same date a study of methods through which private financial institutions can participate more broadly in providing export credit facilities.

(5) Foreign travel to the U. S.:

Foreign travel to the United States constitutes a large potential market hitherto virtually untapped. American travelers annually spend some $2 billion in foreign countries. Foreign travelers only spend about $1 billion in this country. Economic conditions in many foreign countries have improved to the point where a strong travel promotion effort by this country can be expected to yield significant results. The Department of Commerce, in cooperation with the Departments of State and Treasury, will announce shortly a major new program to encourage foreign travel in the United States along the lines envisaged in S. 3102, introduced by Sen. Magnuson at the last session of the Congress. This program will include the establishment of travel offices abroad; new advertising campaigns; action to simplify our visa and entry procedures for temporary visitors; and efforts to relax foreign restrictions on travel to the United States. The program will be energetically administered in the Department of Commerce. I am asking the Secretary of Commerce to report in full on plans and prospects by April 1.

(6) Agricultural exports:

Our agricultural industry, which is of unparalleled efficiency, must make its full contribution to our payments balance. I am directing the Secretary of Agriculture to report on all feasible and internationally desirable means of expanding our exports of farm products, and to emphasize the need for export expansion as a primary objective of our new farm programs.

(7) Policy on economic assistance:

Our foreign economic assistance programs are now being administered in such a way as to place primary emphasis on the procurement of American goods. This assistance, accompanied as it is by the export of American products, does not, therefore, have a significantly adverse effect on our balance of payments. Not more than 20% of the funds expended for economic grants, development loan assistance, technical assistance and contributions to international organizations, which amounted to $2.6 billion in 1960, is today available for expenditures outside the United States, and we intend to keep an even closer review of these items. These restrictions will be maintained until reasonable overall equilibrium has been achieved. Then the United States will discuss with other capital-exporting countries the desirability of instituting common policies for worldwide procurement in the administration of economic development or assistance programs.

(8) Tariffs, restrictions and discriminations against American exports:

Quota discriminations against American exports have largely disappeared with the return of currency convertibility. We will press for prompt removal of the few resrictions that still exist, as well as for the maximum liberalization of remaining nondiscriminatory quotas in other industrialized countries, which apply mainly to agricultural exports. In the tariff negotiations now going forward under GATT we shall seek the fullest possible measure of tariff reduction by foreign countries to the benefit of our exports.

(9) Promotion of foreign investment in the United States:

We shall press those Western European countries with strong reserve positions to eliminate the restrictions they still maintain limiting the opportunities for their citizens to invest in the United States and other foreign countries. Also, we are initiating, through the Department of Commerce, a new program to bring investment opportunities in the United States to the attention of foreign investors in the industrialized countries.

(10) Abuse of "tax Havens": taxation of American investment abroad:

I shall recommend that the Congress enact legislation to prevent the abuse of foreign "tax havens" by American capital abroad as a means of tax avoidance. In addition, I have asked the Secretary of the Treasury to report by April 1 on whether present tax laws may be stimulating in undue amounts the flow of American capital to the industrial countries abroad through special preferential treatment, and to report further on what remedial action may be required. But we shall not penalize legitimate private investment abroad, which will strengthen our trade and currency in future years.

(11) Foreign assistance contribution to the less developed countries and the common defense:

It is indispensable that the industrialized countries of the free world join in undertaking systematic budgetary contributions for economic assistance to the less developed countries and the common defense. These contributions should be fully commensurate with their economic and financial positions. Some countries are fulfilling this responsibility; it is a matter of disappointment that others have not yet undertaken to do so. Such actions are important in the short run to achieve a better balance in international trade and payments. Even more important, they are essential to the continuing and effective discharge of our common responsibilities for free world security, economic growth and stability.

(12) Reduction of customs exemption for returning American travelers:

After World War II, as part of our efforts to relieve the dollar shortage which then plagued the world, Congress provided for two additional increases of $300 and $100 in the duty-free allowance for returning travelers, for a total of $500. The primary purpose for this change having vanished, I am recommending legislation to withdraw this stimulus to American spending abroad and return to the historic basic duty-free allowance of $100.

(13) Centralized review of dollar outlays:

Through the Bureau of the Budget, it has long been our sound financial practice to centralize the review of total spending of the departments and agencies of the Government of the United States, including their spending abroad. Under present circumstances, foreign outlays must be examined in a new perspective. Accordingly, I am instucting the Director of the Bureau of the Budget, in consultation with the Secretary of the Treasury, to develop special procedures for analyzing that part of the requests of the departments and agencies for spending authority which will involve overseas outlays to insure that our budgetary decisions will be taken with full understanding of their projected impact on the country's balance of payments.

(14) U. S. military expenditures abroad:

National security expenditures abroad constitute one of the largest items in the outflow of dollars, amounting to about $3 billion a year. We must maintain a fully effective military force wherever necessary and for as long as needed. While it is clear that we must exercise maximum prudence in our dollar outlays abroad, it has become clear that the present limitation on dependents was not the best way to accomplish this savings, and that this limitation was seriously hurting morale and recruitment in the armed forces. At the same time, the Secretary of Defense has informed me that equivalent dollar savings could be made through other measures, including limitations on expenditures abroad by military personnel for tourism and the purchase of durable consumer goods. Accordingly, I have directed him to rescind the limitation on dependents and instead to put these measures into effect immediately.

I have also asked him to review the possibilities for savings in the logistic support of our forces, including the combined use of facilities with our allies. We shall also, where appropriate, urge the purchase of the newer weapons and weapons systems by those of our allies who are financially capable of doing so. We shall continue the policy inaugurated last November of emphasizing United States procurement for our military forces abroad wherever practicable, even though some increased budgetary cost may be incurred. Since foreign procurement of this nature has amounted to almost $1 billion a year, significant savings in dollar outflow can be expected—and I am asking the Secretary of Defense to report on these and the other savings by no later than April 1, to see if further steps are needed then.

CONCLUSION

These measures, combined with increasing confidence in the dollar abroad and steady economic growth at home, can cure the basic long-term deficit in our balance of payments and check the outflow of gold. They symbolize a new dimension of this Nation's foreign and domestic economic policies—a new area of difficult problems—but they are problems which can be met by forceful and timely legislative and executive action.

Some Problems Facing Us And What to Do About Them

Continued from page 14

which we have no control, over which we ask nothing, and have seen nothing of great value produced in the 15 years that we have been engaged in it.

This, of course, is a very logical and quick conclusion to come to amongst those of us who have been against it in the past and have recommended that we stop it, for these precise reasons.

Another suggestion is that we might copy Canada's example and limit the amount of money that a tourist can take out of the country. I know this is difficult, because in my business in Phoenix, which happens to be the women's and children's business, I have had many good customers from Canada, women whose husbands are worth fortunes, but who bring only $400 down with them. I have extended credit, knowing that some day I would get the money.

I think we can do the same thing Canada did. While it might be objectionable to some of our foreign people, nevertheless it would help in the United States and would not have to be done over a long period of time.

Must Halt Unwarranted Wage and Price Increases

One of the most important things we have to do in the coming period is to be very cautious about unearned wage increases and unearned price increases. If there is any one thing that we have done wrong in our economic life, it has been to allow this spiralling of wages and prices, without resisting it properly. I believe responsible labor leaders today must realize the end result of this — that the chickens that they themselves hatched are coming home to roost, chickens in the form of foreign competition, which is cutting into our markets and causing unemployment.

We cannot advocate, and will not advocate, reducing wages or reducing prices. But we can advocate, and I think we should, a moratorium wherever possible on wage increases, where they are not earned and price increases where they likewise are not earned. In this way, we can steady down this trend to foreign markets that you and I know is extremely excessive, and growing more excessive every day. We might have to come to some regulation on foreign investments, but at the moment I would say doing away with the foreign aid program and the foreign investment program at the same time might not be the wisest thing.

I think an important thing that we can do, as businessmen, is to stay ahead in our technological development; to encourage invention; to encourage development. We must strive to stay ahead of those nations that are copying our products and flooding our market with competition. This is something businessmen are in accord with. Businessmen everywhere are looking for new ways to do things, new things to make, and these efforts should be encouraged throughout our business community.

Misled on Castro

Another field in which we can say the chickens, to some extent, are coming home to roost is in the foreign policy field. Here we have pursued a policy of wishful thinking. For example, we have chosen to believe that because we are generous, because we have no design for territorial expansion, because we have no ambition for world conquest, we must ascribe the same good faith and good motives to other nations. I would like to point out we have refused the use of economic, military and moral power of the United States to effectively block enemy beachheads in our own hemisphere. In the tragic case of Cuba, for example, we were either tragically misinformed or deliberately misled. No one seriously believes Castro could have come to power in Cuba had the United States vigorously and actively opposed his revolution.

We have made mistakes in the foreign policy field, but this isn't new in American life. If you will go back to World War I, at the peace table at Versailles, you will find the first example of the United States refusal to accept the responsibilities of world power. You will find us at that time giving away the things that we fought for. We were going to make the world safe for democracy; and no new free country came out of that war. We went into World War II. We were going to fight for the Four Freedoms. Again, we won the war; and at Teheran, Yalta, and Potsdam, we gave away the freedom of two-thirds of the people of the world. Again, no free people, no free government has emerged from our expensive and tragic efforts, as we look at it from the standpoint of manpower loss by this country.

We have been trying by these efforts to buy the love of the world. We have been trying to picture the United States as just as beneficent, just as lovely a country as Russia is trying to paint itself to be. It reminds me of the saying, "Thou dost protest too much!" We have nothing to apologize for in this country. We are a good people and a sound people. We have been a people that have always helped the world. It seems to me, particularly since World War II, we have gone out of our way to try to convince the world that this is all we are; that we aren't a people who have a feeling for our country and for the things that we love and stand for.

Must Have Respect of the World

In my opinion, we have allowed foreign countries to determine our foreign policy, where we should have been determining theirs as much as we could. We haven't yet learned that the nation that is respected is the nation that can keep peace. Prestige — we have heard a lot about that during a recent something or other that was going on. What is prestige? It is a very nebulous thing. Love between nations is something that practically doesn't exist. I am not knocking love. It has its place.

But what we have overlooked in this country of ours is the fact that respect is what we should be seeking. In fact, we should be demanding it. England for 200 years kept peace in the world because England was respected. I don't remember anybody loving England. They loved Englishmen, but not England. We in this country have to recognize we cannot buy respect; you can't even buy friendship. But we can earn it, and earning it may be the hard way, but we can do it.

We have the greatest military power in the world. We are still the greatest economic force in the world. These two great tools should be used in the proper way to gain respect for this country; and by doing it, keep peace in the world.

Recommendations

Now, what can we do? First, I would suggest that the United States begin acting like a world leader and a world power, and quit groveling on its knees to inferior people and inferior leaders who like to come to New York and peddle their Communist arguments before the United Nations.

I think we should, all of us, and I say this seriously, recognize and insist on our children recognizing the true nature and threat of Communism. I would go so far as to suggest that schools teach, right along with American history, the theory of Communism and the practice of Communism—not just as it was planned, but as it is being used today. Then when our youngsters grow up, they will not be, as some of us have been, rather doubtful about the meaning of the word, about the intent of Russian Communism; what it intends to do in the world, to the point that we find well-meaning people amongst us organizing themselves to stamp out committees in the Congress whose work is dedicated to disclosing Communism in this country.

Two quick suggestions. I think we made a great mistake in abandoning nuclear testing in this country. I would hope the incoming President would see to it that this policy is changed. We made a bad decision when we stopped those tests. You see, Russia already had larger warheads than we possessed and already had the propulsive power to carry them. All we have done in the year and a half we have been in this agreement is to seriously limit our development of larger warheads and greater propulsive power. In keeping with this, and along the same line, we certainly should not agree to any disarmament with Russia at this moment or at any time in the foreseeable future. We need our weapons. In fact, we need more. We need particularly more of the kind that can be used in small wars and limited wars.

Put America First

Finally, I think we ought to recognize, we Americans, that we cannot practice isolationism as we used to think of it. We can, though, put America and our freedom first, ahead of everything. And in everything that we do, I would suggest that our freedom become the square by which we test the proposal that we are considering. As attractive as that proposal might be, if it for one moment impairs the freedom of America and the American people, then that suggestion has to wait. This must be our constant goal in this country. It should be our national purpose today, as it was when we were founded. Today I am afraid we have drifted away from it.

Now, let's take a look at the third and final field that I want to discuss. That is in our domestic field, the economy—one that we are all concerned with. We heard a great deal about this in the last campaign, about the subject of growth and whether we are growing fast enough, too fast, or what. We never did quite learn how we were going to grow faster, but I think any practical businessman could have given the answer. The answer, of course, is: Cut down government costs; cut down taxes when we can; and allow the businessmen of this country to determine the spending of their own money, so we can invest it in capital goods, construction, and so forth, to create more and more jobs.

Hits Galbraith Philosophy

We don't agree, for instance, with Mr. Galbraith of Harvard when he suggests, in his book, *The Affluent Society*, that maybe we advertise too much and we ought to tax advertising. I have no right to sell my customers more than one pair of hose, because all she needs is one pair. I don't know Mr. Galbraith. I know he must be married, and his wife must get runs the same as mine. One pair will never do it! He objects to chrome-plate on the automobiles. He objects to anybody spending more money than is actually needed to provide life. And the rest of this money should be taken by the Federal Government and spent, because, in his own words, the Federal Government is the only source that can control the economy of the United States.

That idea prevails too much. And I think possibly that businessmen are to blame for this as much as our schools which have not been teaching sound economics clear across the board. I wonder how many factories and corporations and companies represented in the NAM spend the time with their own employees, to explain right down to the hundredth of a cent where every penny goes in the operation of their company. If you are not doing this, you should do it. You would be amazed at the people who work for you, who when you say profit say, "Oh, yes, the old man probably makes 20, 25 per cent a year off this operation." If they knew the truth it might be closer to two or three. I can say from having tried this in our own business, it is extremely effective. I know of nothing that will awaken the employee faster to the possibility of his making more money than by showing him the expenses of the company and pointing out the overbearing burden that American business is carrying in order to support a centralized government in Washington.

Failure of Farm Program

In fact, we have one example, I think, which stands out above all others. Here at home we have failed to free the farmer from the paralyzing hand of government interference. Because of our failure, the farm problem, with its wasteful surpluses and expensive storage, has become a Frankenstein-sized chicken which now haunts all of our hopes and plans for tomorrow.

What do we do, again, in trying to make suggestions? In agriculture, I think the farmers will agree that, sooner or later, they must get back under the law of supply and demand and allow the markets to operate their prices, with government operating at a minimum—maybe an FHA type of approach where, if the local banks can't supply the money for replanting or investment, then government can supply a guaranteed loan which will accomplish it. As long as we have government-supported agriculture, then we are going to encourage inferior farmers staying on the farm instead of getting off and moving into the cities and into factory jobs.

We must, in keeping with this, lower the size of the Federal Government. We don't necessarily have to lower the size of state and local governments, although that is desirable. But the Federal Government today takes the great bulk of tax money. And with the brokerage fee they charge in Washington, the local governments get back about 50% of it. It would be better to keep it at the local level.

Suggests Tax Credit to Build Schools

I would like to make suggestions here in two fields. I have legislation prepared to accomplish some of this. And, I hope, if it proves sound enough, to have it prepared in all. We hear about the need for Federal aid to education. I can promise you if this ever becomes a fact of government life, you are going to be talking about $15 to $20 billion a year, as a minimum. We don't have that kind of money.

I have a simple suggestion I have written into legislation, and I hope to have success with it. Let's give every taxpayer in America credit on his income tax for what he pays in local taxes in the form of school bonds.

In my own state, this will loosen $16 million back to the taxpayer. We defeat school bonds for only one reason—it is the only chance in this country we have of telling the tax collector off. The rest of the times we take it and like it, or don't like it, but we take it. In school bond elections, we say, "We will show those so and so's; we won't vote money for the school."

In my state, if the taxpayers have $16 million in their pockets that came as a result of credit for work they were already doing, they would build every school building we need in the state for the foreseeable future.

Threat of Socialized Medicine

We have another expensive program we got into law this past year. It is already running into trouble, and that is, Federal aid to the aged. That can only result ultimately in socialized medicine, but let's forget that, and think about Federal aid to the aged and how business people can help in this. Had we done more of this, we wouldn't have the law at the present time.

What would be wrong, for example, with raising the encouragement to individuals to provide their own retirement, or to companies and corporations to provide retirement for their employees—raise the inducements to corporations and foundations and companies and individuals to provide more gifts for churches, which, in turn, could build homes for their aged who had no children to take care of them.

These are practical things that I have discussed with Treasury officials. But I haven't convinced them. You see, the Treasury has this great love for the general fund—they never want to see it reduced. This would reduce the general fund by $2 billion or $3 billion. But it would save the Treasury Department going out and finding between $12 billion and $20 billion to pay for Federal aid.

These are the types of things that I think conservatives can suggest. They are only a carry-over and carry-on of our concepts of taking care of each other and taking care of our own, of keeping the Federal Government where it should be, in a very restricted position, under the Constitution, to protect our freedoms and our liberties.

These suggestions and positions that I have mentioned, all the way through, are conservative. Conservatism, I maintain, is the only true philosophy under which we can have real progress in America. I don't believe, for example, as well intentioned and as acceptable as some of those social welfare programs have been, that we have actually advanced the cause of man too much in the United States under them. We have them, we are going to have them the rest of our lives, so don't get dreaming that they are going to end.

But is progress really wrapped up in the stomach, or is it more wrapped up in man's freedom? If we take freedom away under any pretense of providing some material benefits for people, then we are going backwards instead of forward.

Socialism's Failure

We conservatives don't want to repeal history, but we don't want to repeat history's mistakes. That is why we look at Socialism with great fear and say it has never worked in the history of the world, why think we can make it work?

We look at centralized bureaucracy with the same fear and speak out against it, not because we are reactionaries but because those who propose it are reactionaries, and we know it won't work in America.

These are the people today who are proposing measures which, if accepted, will carry us

back to the bureaucratic government from which our forefathers fled 300 years ago. My understanding of the term "reactionary" is one who wants to go backward. My understanding of the word "progressive" is one who wants to go forward. I maintain it is the so-called liberals or radicals today in our government, regardless of party, who are the reactionaries. I believe history will recognize today's conservatives as the true liberals, those who wanted to go ahead on the proven values of the past.

Conclusion

In conclusion, I just want to say one thing: Fortunately, for all of us, freedom is not irretrievably lost. This is still the strongest, most productive nation in the world. Our people are still united in the service of many lofty objectives. We still submit ourselves to moral controls which are indispensable in a civilized society.

It is now our responsibility to call a halt to the kind of thinking which has brought us to the brink of disaster. We must now discard those doctrines and programs which have demonstrated their inability to help us achieve the goals we seek. These are our goals always — maximum freedom for the individual, maximum economic opportunity for the individual, domestic tranquillity, spiritual growth and world peace.

Now is the time for America, once more, to become the symbol of hope all the world has long admired—a vigorous, hard-working industrious people, peaceful by nature, but capable of prompt and decisive action when their freedom is threatened.

Let us take to heart the lessons we can learn today from the chickens coming home to roost.

*An address by Senator Goldwater before the National Association of Manufacturers, New York City.

Consol. Airborne Stock Offered

Public offering of 180,000 shares of the class A stock of Consolidated Airborne Systems, Inc. was made on Feb. 6 at a price of $5 per share by S. D. Fuller & Co. and associates.

Net proceeds from the sale of the shares will be used by the company to repay notes payable; to repay bank loans; for research and development and for expansion of manufacturing facilities. Balance of the proceeds will be added to the general funds of the company.

Consolidated Airborne Systems, Inc. is engaged primarily in the design, development and production of proprietary devices in the field of electronic and cryogenic ground support equipment and airborne instrumentation for the military and commercial aircraft industry. The company's plant and executive offices are located in New Hyde Park, Long Island, N. Y.

For the five months ended Oct. 30, 1960, sales of the company were $617,781 and earnings after taxes were $53,730. Backlog, as of Nov. 1, 1960, amounted to $1,094,000.

Upon completion of the current financing, capitalization of the company will consist of 187,347 shares of class B stock; 180,000 shares of class A stock, and warrants to purchase 45,000 class A shares.

Forms Insur. Underwriters

SALT LAKE CITY, Utah.—Insurance Underwriters, Inc. is engaging in a securities business from offices at 346 East Second South Street. Officers are Edward M. Mabey, President; Jack R. Day, Vice-President; Rendell N. Mabey, Secretary; and Arnold W. Bradshaw, Treasurer.

Why Foreigners Want Gold And How to Cope With It

Continued from page 1

threatened by powerful adversaries to permit essential gold reserves to be dissipated in this manner is inconceivable.

That which is being experienced by our government in the abnormal demand by foreigners for conversion of paper dollars into gold constitutes an illuminating example of the impersonal but adamantine discipline of gold. By taking the country off the gold standard at home our government freed itself from the exercise of this discipline by its own citizens. But to Foreign Central Banks and Governments it extended the right to present paper dollars to our Treasury and receive gold in exchange at the rate of 35 paper dollars per ounce of gold. In this manner as to these it continued its submission to the discipline and it is this discipline that is now being applied and felt.

The concession of the privilege of conversion to the foreigner was neither an act of generosity nor an expression of good will. Our repudiation and devaluation were doing them deliberate and grievious injury. To this injury we could compel them to submit. We could not add to injury without inflicting upon ourselves an even more serious injury.

"Acceptable Medium of Exchange"

The concession to foreigners of the right of conversion was forced by the inescapable fact already referred to that gold, then as now, constituted the one universally acceptable medium of exchange in foreign trade. Our government was powerless to enforce its fiats as to the value of its paper dollars upon non-citizens. They could take them or refuse them or deal with them as they chose. So the practice of converting paper dollars into gold upon demand of foreign central banks has now continued for more than 25 years. Harmless at first, even beneficial at home since it gave international stability to the dollar, the privilege now becomes a matter of grave concern since its exercise threatens our gold reserves and through it our international commercial solvency and our military security.

The abnormal demand for conversion of our currency into gold is predominately the product of fear. This is clear enough. It is the natural fear of human beings intent upon the protection of that which they possess or for which they are responsible. It is obvious that in the very nature of men and things this fear will continue as long as the conditions which gave it birth continue. A reasoned appraisal of the future therefore requires an examination of those conditions.

Why Foreigners Demand Gold

In the main the things which have inspired fear respecting our ability to continue gold conversions pertain to the past and present fiscal and political practices of our government. They pertain to our unprecedented national debt now approximating the total wealth of the nation; to a continuation of heavily unbalanced peace-time budgets and to our apparent inability to overcome heavy annual adverse balances of international payments resulting in abnormal drain upon a steadily diminishing gold reserve.

It is also well known that many European observers are critical of our enormous foreign aid projects and of many domestic fiscal practices. An example is our prodigal annual outlays in subsidization of segments of our population, escape from which seems politically impossible. Others believe that our government has displayed an inept infatuation with untenable theories as to peoples and things, theories often predicated upon misinformation and false concepts of the capabilities, capacities and intentions of foreign peoples and their leaders. They point, not without seeming justification, to the loss of China, Manchuria, North Korea and all of eastern Europe to Communist police state dictatorships as the end result of a war fought by us to military victory in the name of freedom for all peoples and nations; to our failure to provide a corridor into West Berlin and now to the loss of Cuba directly upon our doorstep.

It is unnecessary to discuss the validity or lack of validity of these criticisms and I make no attempt to do so. It is not what Americans may think or not think respecting these things but what foreign holders of our dollars or dollar obligations think that matters now.

Domestic Weaknesses

Statistical information respecting our fiscal and balance of payments situation may be found in many nationally circulated publications and I need not repeat it. It is common knowledge that foreign held dollars and dollar obligations exceed our available reserve of gold and that owing to adverse balances of payments these foreign held dollars are increasing in amount at the rate of several billion dollars per year while our gold reserve is declining.

It is known that our taxes on productive industry are higher by far than those of any of the world's industrial nations; that our personal taxes are as high as any people can safely be asked to bear; that the wages of our workmen are the highest in the world's industry while our plants and equipment are no longer superior to those of our principal industrial competitors.

It is known that our own markets are being seriously invaded in many lines with foreign-made articles of equal quality selling at lower prices and that our own industry finds itself under competitive compulsion to establish production in foreign countries where the political and economic climate is more favorable for industry.

It is no less a matter of common knowledge that for many years our cost of living has been rising, reflecting the continuing debasement of our currency; that we are now experiencing a business decline with government promises of increased spending in its mitigation. This is the classical pattern of the destructive progress of paper money inflation, a pattern with which European holders of our dollars are familiar.

There is another fact respecting our recent past to which reference seems unavoidable. Perhaps some will think this item has best been left unmentioned. With this, one need not ordinarily disagree. But accurate conclusions respecting the probable conduct of others are not to be reached by ignoring unpleasant facts. The fact to which I refer is that it was but 26 years ago that the peacetime devaluation of the dollar and repudiation of the obligation of our bonds took place. It can admit of no doubt that among the present foreign holders of our dollars and dollar obligations there are many persons who were the victims of these repudiations. Even less can it be doubted that throughout the Central Banks of all Europe there are many persons who, trusting the then assurances of our high government officials that no such step would be taken, awoke a few mornings later to find their trust misplaced.

Long Memories

Can one suppose that foreign persons responsible for the safety of their own and others' funds will not be influenced by these things? In the administration of their offices bank officials, directors and all trustees are held to the common knowledge that by these deliberately planned peace-time acts of our government great losses were inflicted upon foreign holders of our dollars and dollar obligations. They know that those who, despite our assurances, made timely conversion of our paper dollars into gold coin or bullion not only escaped loss but were enriched in the process. They also know that the very nature of the act of devaluation or refusal to longer convert paper money into gold precludes possibility of notice and that should a discontinuance of conversion or a devaluation come it will come without notice and despite official denials of that intention.

The situation being as described one need not hesitate to suggest that unless appropriate measures are taken to allay foreign fears the demand for conversions will continue, accelerating as our reserve diminishes. In time the decline will reach a point where adequate measures for its protection are imperative. As this point is approached one must expect the demand for conversions to reach the proportions of a run on a bank the solvency of which is under grave suspicion.

Available measures for protection of the Reserve are several. Our government can place its financial house in order and by doing so restore the standing of the dollar in foreign eyes. Declining this, as a sovereign state it can at any time refuse to make further conversions or it can devalue the dollar in terms of gold to the extent required to make conversions unprofitable. Either of the last two steps would be tantamount to confession of international insolvency. They would manifest both financial and moral weakness and decay and the results could be disastrous.

Political Considerations

One unacquainted with the processes and compulsions of American politics might with reason assume that our government would at once retreat from its fiscal prodigality at home; reconsider or postpone its projects for making the world's populations and governments over in our own image; in short observe the danger signals now flashing on all sides and change its course toward sobriety and safety.

But it is far from certain that it will do so. Elective office holders in the United States, as well as in other countries, cling tenaciously to office. Proposed measures are carefully appraised for their possible effect upon office holder and party. Measures announced as for temporary relief of groups become permanent burdens upon all. The incredible farm program is among them. Not only groups—but states and areas must be rewarded or conciliated and we have the spectacle of billions being spent to induce greater production by bringing desert lands under irrigation. Our boundless foreign aid program, though clothed in the garb of generosity and good will has become in effect an annual multi-billion dollar aid to domestic industry and labor. This is carefully pointed out to worried Congressmen and equally concerned labor leaders, bankers and industrialists when discontinuance of the grants and gifts is discussed. These are but selected examples. There are others of similar import. They demonstrate how firmly the paper money prodigality of the past 26 years has established itself as a fixture in our economic structure. That its elimination would require reorientation both in industry and agriculture sufficient to bring unhappiness and discontent in many sections of the country admits of no doubt. A terrifying picture is thus presented to political office holders and parties with the next election always just around the corner.

"Moral and Political Courage"

To extricate the country from the difficult situation in which it stands will require economic wisdom and understanding. But more than wisdom and understanding will be required. There will also be required unflinching courage both moral and political. If these qualities are to be found in Washington in the new Administration all may yet be well with the dollar and our standing as a world power made secure. Without them we must be prepared to witness a continuing debasement of our currency manifesting itself in higher and ever higher costs of living and of production; continued adverse balances of international payments forcing continued dissipation of our gold reserves. In a word our government will be continuing on its course toward monetary and economic disaster.

Underwater Stge. Common Offered

Pursuant to a Feb. 6 offering circular, Searight, Ahalt & O'Connor, Inc., 115 Broadway, New York City, publicly offered at $3 per share 100,000 shares of the $1 par common stock of Underwater Storage, Inc.

The company was organized by its parent firm, Jet Fuel & Storage Co., and was incorporated last June 6 under Maryland law. As it is newly organized, it has no record of earnings. It is negotiating for orders for underwater storage systems from both private industry and governmental agencies.

Underwater Storage maintains offices at 1028 Connecticut Ave., N. W., Washington 6, D. C.

A. G. Becker to Appoint Rand

CHICAGO, Ill.—A. G. Becker & Co. Incorporated, 120 South La Salle Street, members of the New York and Midwest Stock Exchanges, will name Sidney B. Rand Assistant Secretary, effective Feb. 16.

Perry Electron. Stock Marketed

S. B. Cantor Co. and Farrell Securities Co. offered on Feb. 8, 75,000 shares of Perry Electronic Components, Inc. common stock at $4 per share.

Net proceeds will be applied toward the purchase of equipment and machinery, reduction of outstanding indebtedness, and for general corporate purposes.

The company, located in Ossining, N. Y., makes component products for manufacturers in the electronics field. Components made by the company have been sold to manufacturers of various kinds of airborne instrumentation, testing devices for such apparatus, power carts for jet aircraft and air conditioning units.

Edw. Marshall Forms Co.

ENGLEWOOD CLIFFS, N. J. — Edward Marshall Inc. has been formed with offices at 650 Palisade Avenue to engage in a securities business. Edward Marshall, formerly with Francis I. du Pont & Co., is President.

AS WE SEE IT

Continued from page 1

ent in the program announced in this message. An increase in the minimum wage and the extension of its coverage, so far at least as the changes proposed for immediate or early action are concerned, may or may not relieve hardship within a limited element in the population, but it would be farcical to suppose that the effect upon the general level of business would be appreciable. Obviously, the same is true of the proposed changes in the Old Age, Survivors, and Disability Insurance system, the proposed distribution of surplus food, suggested aid to dependent children and a number of other suggestions included under the general head of Measures for Economic Recovery.

If common sense and the experience of recent years are to be accepted as reliable guides, we may strongly suspect that a good many of the other programs will not get under way in time to be of importance in ending the recession, and may very well get under way just in time to add to the threat of inflation which can hardly be expected to be absent when the end of the recession does come. Then, of course, we have some of the usual buncombe—or is this a bit unusual—about credit and interest rates. Somehow the President and his advisers hope to reduce interest rates on long-term obligations—and thus direct funds into such things as mortgages—at the same time that short-term rates are maintained if not raised so that foreign owners of funds will not take them to some other market. They are likely to find, we suspect, that the money and the investment markets are not separated into watertight compartments so that one may do what one pleases in each without reference to the other. One is, moreover, warranted in remaining a bit skeptical about the extent of the stimulating effect upon housing construction of any such jockeying in the credit market.

Restoring Momentum?

Nonetheless, the President concludes with this statement: "I have sought in this message to propose a program to restore momentum to the American economy. I have recommended measures designed to set us firmly on the road to full recovery and sustained growth." There is, of course, little or nothing that is new or novel in the proposals set forth. Nearer the truth would it be to say that for the most part the President has collected together a miscellaneous lot of steps, most of which have been tried—or at the very least discussed—in the past and so far as tried have either failed in their objective or else proved quite transitory in their effect. The Chief Executive's promise that "if these measures prove to be inadequate to the task, I shall submit further proposals to the Congress within the next 75 days" is all too reminiscent of Franklin Roosevelt's dictum: "Let's try these things. If they work we will do them some more. If they fail we will try something else." We are, of course, still paying a high price for New Deal experimentation—into which most of the Kennedy program fits easily and naturally.

Let us now, however, turn from a consideration of specific measures and their limitations and weaknesses to certain fundamentals which somehow seem to get completely overlooked by these Keynesians, Neo-Keynesians and other proponents of programs certain to turn "sour and silly" if indeed they are not to be so described at birth. The President at one point laments the wide difference between what we are producing and what we are capable of producing—and somehow seems to suppose that a closing of the gap would constitute "growth." This seems to us to be a strange concept of growth although we are obliged to admit that something of the sort is implicit in the employment of Gross National Product as a measure of growth from one period or point in time to another. But the matter is far more important than any mere definition of terms or statistical measurement of some economic phenomenon.

A Disturbing Habit

All this disturbingly reveals a persistence—we had almost said a studied persistence—in refusing to admit that it makes a great deal of difference what is being produced. To put all our idle or partly idle capacity to work—and thus establish a larger growth rate—would, of course, involve a very large increase in agricultural production. Of all our branches, it has probably for a long period of years failed by the widest margin to employ to the full its resources. We can hardly believe that any one in his right senses would wish to stimulate our rate of growth by increasing the output of our farms. There are other areas where somewhat similar conditions may be developing. We suspect that housing—the area in which the President and all the others want the maximum of stimulation—may well be one of them. And the fact that there are many in the land who live in substandard housing is no defense of irresponsible spending and so we might continue almost indefinitely.

If only somehow we could come to an end of this loose thinking about "prosperity" and "growth"!

STATE OF TRADE AND INDUSTRY

Continued from page 5

pared with 50 one year ago and 43 in the corresponding week of 1959.

Lumber Shipments Were 0.7% Below Production During Jan. 28 Week

Lumber shipments of 442 mills reporting to the National Lumber Trade Barometer were 0.7% below production during the week ended January 28, 1961. In the same week, new orders of these mills were 6.0% above production. Unfilled orders of reporting mills amounted to 26% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 14 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 2.7% below production; new orders were 2.4% above production.

Compared with the previous week ended Jan. 21, 1961, production of reporting mills was 1.6% above, shipments were 1.0% above; new orders were 3.3% above. Compared with the corresponding week in 1960, production of reporting mills was 20.0% below; shipments were 19.7% below; and new orders were 4.2% below.

Business Failures Down From Postwar Peak

Commercial and industrial failures fell to 368 in the week ended February 2 from the post-war peak of 400 established in the preceding week, reported Dun & Bradstreet, Inc. However, casualties remained noticeably higher than a year ago when 318 occurred or in 1959 when there were 271. Also, business mortality exceeded by 16% the pre-war toll of 318 in the similar week of 1939.

Failures involving liabilities of $5,000 or more declined to 319 from 349 in the previous week but exceeded the 287 of this size last year. Among small casualties, those with losses under $5,000, there was a dip to 49 from 51 a week earlier. Liabilities ranged above $100,000 for 45 of the week's failures as against 46 in the preceding week.

The toll among retailers fell to 181 from 205, among manufacturers to 62 from 71, and among wholesalers to 30 from 44. In contrast, construction casualties climbed to 65 from 52, and commercial service edged to 30 from 28. Despite some downturns from the preceding week, more businesses failed than a year ago in all industry and trade groups, with the sharpest rise from 1960 in manufacturing.

Five regions reported lower failures during the week. Casualties in the Middle Atlantic States turned down to 120 from 132, in the South Atlantic to 44 from 68, and in the East North Central to 61 from 70. On the other hand, increases prevailed in three regions — the most noticeable rise appeared in the Pacific States, up to 80 from 65. The Mountain States toll held steady. More failures occurred than last year in six of the nine regions. While tolls held even with 1960 levels in two areas, only one region, the Mountain States, reported a decline.

Canadian failures climbed to 69 from 33 in the preceding week and 48 in the comparable week of 1960.

Wholesale Commodity Price Index Climbs Appreciably From Prior Week

Reflecting higher prices on some grains, flour, lard, coffee, sugar, hogs, lambs, rubber and steel scrap, the general wholesale commodity price level rose appreciably during the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 269.47 (1930-1932 = 100) on Feb. 6, compared with 268.77 a week earlier, and 273.44 on the corresponding date a year ago.

There was a substantial rise in corn prices during the week, reflecting increased trading and lower supplies. Oats prices remained unchanged from a week earlier, despite a slight advance in trading.

A fractional advance was registered in wheat prices during the week as transactions were sustained at high levels. There was a marked increase in rye prices on a good rise in volume and relatively limited supplies. As a result of speculative trading, soybean prices rose considerably; prices were also influenced by strength in soybean oil and meal.

Although domestic flour buying was primarily confined to fill-in orders, flour prices advanced slightly from a week earlier; export trade was sustained at a high level with sizable shipments sold to Pakistan and Saudi Arabia. Both domestic and export purchases of rice moved up and made further inroads into rice stocks; rice prices held steady with a week earlier.

Sugar prices moved up slightly from the preceding week, despite little change in trading. A slight increase occurred in coffee prices during the week, but volume remained close to the prior week. Late in the week advances were not great enough to offset declines that occurred early in the week, and cocoa prices finished somewhat lower than a week earlier.

An increase at the end of the week helped hog prices finish slightly above a week earlier; hog supplies were up slightly. Prices for steers declined on a dip in trade and an increase in salable supplies. Lamb prices rose appreciably from a week earlier, reflecting increased volume.

Although activity on the New York Cotton Exchange was slower than a week earlier, cotton prices were steady. United States exports of cotton in the week ended last Tuesday amounted to about 190,000 bales, compared with 288,000 in the prior week and 356,000 a year ago. For the current season through Jan. 31, cotton exports came to about 3,346,000 bales, compared with 3,209,000 during the similar period last season.

Wholesale Food Price Index Down Fractionally in Latest Week

After standing at $6.15 for three weeks in a row, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., slipped 0.2% on Jan. 31 to $6.14, but it was up 6.6% from the $5.76 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were corn, hams, lard, coffee, eggs, and lambs. Lower in price were flour, rye, beef, cheese, sugar, milk, cottonseed oil, potatoes, steers and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Continued Cold Weather Cuts Consumer Buying for Week Ended Feb. 1

Near-zero temperatures and rising unemployment discouraged consumer buying in many areas in the week ended this Wednesday, holding over-all retail trade appreciably below a year ago. Substantial year-to-year declines occurred in major appliances, new and used passenger cars, and floor coverings, while less severe dips prevailed in apparel, furniture, linens, and food products.

The total dollar volume of retail trade in the week ended this Wednesday was from 4 to 8% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: Middle Atlantic and East North Central —7 to —11; South Atlantic and West South Central —5 to —9; West North Central and Pacific Coast —2 to —6; New England, East South Central, and Mountain —1 to —5.

Nationwide Department Store Sales Down 7% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Jan. 28, 1961,* show a decrease of 7% below like period last year. For the week ended Jan. 21 a decrease of 5% was reported. For the four weeks ended Jan. 28, 1961 a 4% loss was reported. The year 1960 over 1959 showed a 1% increase.

According to the Federal Reserve System, department store sales in New York City for the week ended Jan. 28 showed a 10% decrease over the same period last year. In the preceding week ended Jan. 21 sales showed a decrease of 15% from the same week in 1960. For the four weeks ending Jan. 28 a 6% decrease was reported below the 1959 period, and for the year 1960 over year 1959 there was a gain of 4%.

*New Year's Day this year occurred in the week ending Jan. 7 whereas last year it was in the week ending Jan. 2, 1960. The week of Jan. 7, 1961, therefore, had one less trading day than the corresponding week last year.

Note: Cumulative year-to-date comparisons for 1961 over 1960 will be published effective the week ending Feb. 4, 1961.

MacAllaster V.-P. Of W. C. Pitfield

Archie F. MacAllester has been elected a Vice-President and director of W. C. Pitfield & Co., Inc. and has been named manager of the New York office at 30 Broad Street.

Wm. Rogers Rejoins Law Firm

William P. Rogers, having resigned as Attorney General of the United States, has resumed membership in Royall, Koegel, Harris & Caskey, 100 Broadway, New York City, and the firm name will henceforth be Royall, Koegel & Rogers. The parent firm will be continued to conduct matters in which Mr. Rogers will not participate.

Tripp Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—Chester Shan is now affiliated with Chas. N. Tripp Co., American Bank Bldg.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Feb. 12	51.0	50.2	50.5	50.5
Equivalent to—					
Steel ingots and castings (net tons)	Feb. 12	1,492,000	1,496,000	1,482,000	2,699,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Jan. 27	7,197,910	7,215,510	7,172,910	7,146,164
Crude runs to stills—daily average (bbls.)	Jan. 27	8,401,00	8,357,000	8,245,000	7,036,000
Gasoline output (bbls.)	Jan. 27	29,480,000	28,902,000	30,058,000	24,660,000
Kerosene output (bbls.)	Jan. 27	3,113,000	3,319,000	3,207,000	2,419,000
Distillate fuel oil output (bbls.)	Jan. 27	15,001,000	14,819,000	13,707,000	12,074,000
Residual fuel oil output (bbls.)	Jan. 27	6,676,000	6,306,000	6,706,000	5,024,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Jan. 27	209,954,000	204,767,000	195,703,000	203,184,000
Kerosene (bbls.) at	Jan. 27	28,375,000	28,826,000	32,048,000	25,025,000
Distillate fuel oil (bbls.) at	Jan. 27	115,571,000	123,226,000	142,246,000	126,485,000
Residual fuel oil (bbls.) at	Jan. 27	44,391,000	45,235,000	46,092,000	47,929,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Jan. 28	476,403	490,049	406,346	605,046
Revenue freight received from connections (no. of cars)	Jan. 28	445,210	455,675	391,083	568,386
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Feb. 2	$346,400,000	$269,200,000	$407,700,000	$377,400,000
Private construction	Feb. 2	176,700,000	129,000,000	121,400,000	196,700,000
Public construction	Feb. 2	169,700,000	140,200,000	286,300,000	180,700,000
State and municipal	Feb. 2	148,100,000	87,000,000	220,300,000	158,100,000
Federal	Feb. 2	21,600,000	53,200,000	66,000,000	22,600,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Jan. 28	7,065,000	*6,975,000	6,715,000	8,920,000
Pennsylvania anthracite (tons)	Jan. 28	419,000	412,000	365,000	429,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Jan. 28	103	107	116	111
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Feb. 4	15,072,000	15,361,000	14,245,000	14,203,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Feb. 2	368	400	265	318
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Jan. 30	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Jan. 30	$66.44	$66.44	$66.32	$66.41
Scrap steel (per gross ton)	Jan. 30	$31.83	$31.50	$29.17	$42.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Feb. 1	28.600c	28.600c	29.600c	33.350c
Export refinery at	Feb. 1	26.500c	26.700c	27.700c	32.225c
Lead (New York) at	Feb. 1	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Feb. 1	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Feb. 1	12.000c	12.000c	12.500c	13.500c
Zinc (East St. Louis) at	Feb. 1	11.500c	11.500c	12.000c	13.000c
Aluminum (primary pig, 99.5%) at	Feb. 1	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Feb. 1	100.250c	100.375c	100.250c	100.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Feb. 7	88.69	87.65	87.65	83.29
Average corporate	Feb. 7	87.32	87.05	86.65	83.40
Aaa	Feb. 7	91.77	91.62	91.19	87.59
Aa	Feb. 7	89.92	89.37	88.95	85.46
A	Feb. 7	86.91	86.51	85.98	83.03
Baa	Feb. 7	81.29	81.05	81.17	77.97
Railroad Group	Feb. 7	84.55	84.17	84.04	81.42
Public Utilities Group	Feb. 7	88.40	88.13	87.86	83.15
Industrials Group	Feb. 7	88.09	88.95	88.27	85.72
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Feb. 7	3.71	3.83	3.82	4.22
Average corporate	Feb. 7	4.61	4.63	4.66	4.91
Aaa	Feb. 7	4.29	4.30	4.33	4.59
Aa	Feb. 7	4.42	4.46	4.49	4.75
A	Feb. 7	4.64	4.67	4.71	4.94
Baa	Feb. 7	5.08	5.10	5.09	5.36
Railroad Group	Feb. 7	4.82	4.85	4.86	5.07
Public Utilities Group	Feb. 7	4.53	4.55	4.57	4.93
Industrials Group	Feb. 7	4.48	4.49	4.54	4.73
MOODY'S COMMODITY INDEX	Feb. 7	362.8	362.4	360.9	379.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Jan. 28	302,344	297,119	231,673	326,476
Production (tons)	Jan. 28	313,805	310,328	163,709	325,870
Percentage of activity	Jan. 28	90	90	39	97
Unfilled orders (tons) at end of period	Jan. 28	380,337	388,200	371,656	462,228
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Feb. 3	110.66	110.65	109.70	111.56
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Jan. 13	3,107,590	2,119,340	2,870,150	2,653,060
Short Sales	Jan. 13	609,940	371,430	492,810	406,010
Other sales	Jan. 13	2,767,140	2,053,600	2,310,180	2,428,910
Total sales	Jan. 13	3,377,080	2,425,030	2,802,990	2,834,920
Other transactions initiated off the floor—					
Total purchases	Jan. 13	437,000	272,350	453,340	541,840
Short Sales	Jan. 13	45,600	39,100	38,800	71,745
Other sales	Jan. 13	431,520	327,930	358,280	471,555
Total sales	Jan. 13	477,120	367,030	397,080	543,300
Other transactions initiated on the floor—					
Total purchases	Jan. 13	983,460	938,515	883,413	935,190
Short Sales	Jan. 13	132,220	98,200	138,800	133,010
Other sales	Jan. 13	1,064,580	888,575	737,835	812,315
Total sales	Jan. 13	1,196,800	986,775	876,635	945,325
Total round-lot transactions for account of members—					
Total purchases	Jan. 13	4,528,050	3,330,205	4,206,903	4,130,090
Short Sales	Jan. 13	787,760	508,730	670,410	610,765
Other sales	Jan. 13	4,263,240	3,270,105	3,406,295	3,712,780
Total sales	Jan. 13	5,051,000	3,778,835	4,076,705	4,323,545
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Jan. 13	2,409,760	1,638,932	1,567,882	2,232,054
Dollar value	Jan. 13	$118,129,733	$80,598,746	$77,906,877	$110,703,046
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Jan. 13	2,160,538	1,447,324	1,827,512	1,606,078
Customers' short sales	Jan. 13	14,059	10,214	11,468	9,125
Customers' other sales	Jan. 13	2,146,479	1,437,110	1,816,044	1,598,953
Dollar value	Jan. 13	$103,199,337	$72,250,807	$84,360,682	$79,334,122
Round-lot sales by dealers—					
Number of shares—Total sales	Jan. 13	587,830	441,740	649,540	338,960
Short Sales	Jan. 13	------	------	------	------
Other sales	Jan. 13	587,830	441,740	649,540	338,960
Round-lot purchases by dealers—Number of shares	Jan. 13	836,310	582,460	392,110	960,730
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short Sales	Jan. 13	1,066,960	622,350	837,010	727,280
Other sales	Jan. 13	22,149,040	14,379,760	17,720,580	17,860,870
Total sales	Jan. 13	23,216,000	15,002,110	18,557,590	18,588,150
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Jan. 31	120.0	119.9	119.8	119.2
Farm products	Jan. 31	90.5	*89.9	88.9	87.0
Processed foods	Jan. 31	109.7	109.9	110.0	105.4
Meats	Jan. 31	98.0	97.7	98.5	90.5
All commodities other than farm and foods	Jan. 31	128.1	128.1	127.9	128.6

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN RAILWAY CAR INSTITUTE— Month of December:			
Orders for new freight cars	2,705	3,680	10,555
New freight cars delivered	4,272	3,799	3,032
Backlog of cars on order and undelivered (end of month)	21,070	22,781	43,870
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of December:			
New England	$25,135,075	$22,362,141	$18,641,428
Middle Atlantic	151,008,663	171,082,029	169,080,549
South Atlantic	52,117,229	56,247,556	36,141,045
East Central	119,253,937	90,208,254	91,279,031
South Central	84,711,418	97,280,869	113,497,810
West Central	37,466,256	32,749,853	35,959,821
Mountain	21,460,200	21,350,150	39,432,964
Pacific	124,853,195	98,687,111	115,951,003
Total United States	$616,005,973	$589,967,963	$619,983,651
New York City	104,698,861	132,424,463	136,640,069
Total outside New York City	$511,307,112	$457,543,500	$483,343,069
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of December	14,681	12,412	16,456
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS RECORD — Month of January (000's omitted):			
Total U. S. construction	$1,661,000	$1,875,000	$1,265,000
Private construction	785,000	778,000	670,000
Public construction	876,000	1,097,000	595,000
State and municipal	641,000	802,000	419,000
Federal	235,000	295,000	176,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK— As of Dec. 30 (000's omitted)	$1,252,000	$1,380,000	$627,000
COKE (BUREAU OF MINES)—Month of Nov.:			
Production (net tons)	3,537,926	3,931,050	4,350,100
Oven coke (net tons)	3,487,316	3,879,436	4,284,000
Behive coke (net tons)	50,610	51,614	66,100
Oven coke stock at end of month (net tons)	4,698,312	4,629,043	5,157,985
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of December:			
Contracts closed (tonnage)—estimated	222,478	240,347	366,125
Shipments (tonnage)—estimated	246,196	288,685	235,688
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS—INSTITUTE OF LIFE INSURANCE—Month of November:			
Death benefits	$283,100,000	$258,400,000	$244,500,000
Matured endowments	57,500,000	52,800,000	49,900,000
Disability payments	10,100,000	10,300,000	9,400,000
Annuity payments	59,300,000	58,800,000	54,800,000
Surrender values	135,000,000	132,900,000	116,600,000
Policy dividends	115,700,000	112,900,000	116,300,000
Total	$660,700,000	$626,100,000	$591,500,000
LIFE INSURANCE PURCHASES—INSTITUTE OF LIFE INSURANCE—Month of Nov. (000,000's omitted):			
Ordinary	$4,483,000	*$4,257,000	$4,342,000
Industrial	543,000	580,000	581,000
Group	1,623,000	*1,228,000	1,327,000
Total	$6,649,000	$6,065,000	$6,250,000
METAL PRICES (E. & M. J. QUOTATIONS)— January:			
Copper—			
Domestic refinery (per pound)	29.057c	29.600c	33.654c
Export refinery (per pound)	26.746c	28.036c	31.555c
††London, prompt (per long ton)	£220.030	£230.981	£259.263
††Three months, London (per long ton)	£220.637	£228.169	£246.438
Lead—			
Common, New York (per pound)	11.000c	11.381c	12.000c
Common, East St. Louis (per pound)	10.800c	11.181c	11.800c
††London, prompt (per long ton)	£63.798	£64.975	£74.781
††Three months, London (per long ton)	£64.920	£66.194	£74.525
Zinc—			
East St. Louis (per pound)	11.529c	12.476c	12.877c
§§Prime Western, delivered (per pound)	12.029c	12.976c	13.377c
††London, prompt (per long ton)	£79.140	£82.763	£94.572
††London, three months (per long ton)	£78.452	£82.747	£91.747
Silver and Sterling Exchange—			
Silver, New York (per ounce)	91.375c	91.375c	91.375c
Silver, London (per ounce)	79.375d	79.463d	79.938d
Sterling Exchange (check)	$2.80641	$2.80737	$2.79976
Tin, New York Straits	100.408c	101.161c	99.888c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$209.000	$209.000	$211.000
Antimony—			
¶New York, boxed (per pound)	32.590c	32.590c	32.590c
Laredo, bulk (per pound)	29.000c	29.000c	29.000c
Laredo, boxed (per pound)	29.500c	29.500c	29.500c
Aluminum—			
99% grade ingot weighted avge. (per lb.)	26.000c	26.000c	28.100c
99% grade primary pig export	23.250c	23.250c	26.000c
**Nickel	74.000c	74.000c	74.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
Platinum, refined (per pound)	$82.000	$82.000	$78.750
Cadmium (per pound, delivered ton lots)	$1.50000	$1.50000	$1.38500
(Per pound, small lots)	$1.60000	$1.60000	$1.48500
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.75000
MONEY IN CIRCULATION—TREASURY DEPT. As of Nov. 30 (000's omitted)	$32,600,000	$32,100,000	$32,500,000
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of December	£24,369,000	£59,029,000	£34,471,000
PORTLAND CEMENT (BUREAU OF MINES)— Month of November:			
Production (barrels)	26,406,000	31,449,000	26,100,000
Shipments from mills (barrels)	24,917,000	32,931,000	22,025,000
Stocks at end of month (barrels)	29,985,000	28,767,000	27,794,000
Capacity used (per cent)	75	87	77
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES)—Month of Nov. (in long tons):			
Stocks in beginning of period	32,830	31,995	35,090
Receipts	6,175	6,625	6,720
Supply	39,005	38,620	41,810
Stocks at end of period	33,390	32,830	36,035
Total processed	5,615	5,790	5,775
Intercompany scrap transactions	140	190	130
Consumed in manufacturing	5,475	5,600	5,645
Primary	3,035	3,290	3,235
‡Secondary	2,440	2,310	2,410
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of Nov. (000's omitted):			
Exports	$1,796,000	$1,743,900	$1,478,600
Imports	1,160,800	1,157,200	1,282,200

*Revised figure. †Estimated totals based on reports from companies accounting for 96% of primary, 95% of secondary tin consumption in 1957 and 97% of total stocks end of 1957. ¶Domestic five tons or more but less than carload lot boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **F.o.b. Fort Colburne, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

News About Banks-Bankers

Continued from page 19

stock dividend, effective Jan. 25. (Number of shares outstanding 4,000 shares, par value $100.)

* * *

The First National Bank in Bartlesville, Bartlesville, Okla., has increased its common capital stock from $1,250,000 to $1,500,000 by a stock dividend, effective Jan. 24. (Number of shares outstanding 75,000 shares, par value $20.)

* * *

The First National Bank of Kansas City, Kansas City, Mo., has announced that David T. Beals has been elected Honorary Chairman of the Board; Taylor S. Abernathy, Chairman of the Board and Chief Executive Officer; Barret S. Heddens, Jr., President; and Gordon E. Wells, Assistant Vice-President and Cashier.

* * *

The Comptroller has approved an application to consolidate the **First National Bank of Kingsport, Kingsport, Tenn. and the First National Bank in Bristol, Bristol, Tenn.,** under the title of the **First National Bank of Sullivan County.** The effective date was Jan. 31.

* * *

The First National Bank of Lewisburg, Lewisburg, Tenn., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 8,000 shares, par value $25.)

* * *

The Citizens and Southern National Bank of South Carolina, Charleston, S. C., has increased its common capital stock from $2,365,000 to $2,601,500 by a stock dividend, effective Jan. 26 (Number of shares outstanding 260,150 shares, par value $10.)

* * *

The First National Bank of Atlanta, Ga., has increased its common capital stock from $10,000,000 to $11,000,000 by a stock dividend, and from $11,000,000 to $12,000,000 by the sale of new stock, effective Jan. 24. (Number of shares outstanding 1,250,000 shares, par value $10.)

* * *

The Fort Lauderdale National Bank, Fort Lauderdale, Fla., has increased its common capital stock from $675,000 to $900,000 by a stock dividend, effective Jan. 25. (Number of shares outstanding 60,000 shares, par value $15.)

* * *

The Barnett National Bank of Deland, Deland, Fla., has increased its common capital stock from $300,000 to $400,000 by a stock dividend, effective Jan. 25. (Number of shares outstanding 16,000 shares, par value $25.)

* * *

The First National Bank of Birmingham, Birmingham, Ala., has increased its common capital stock from $11,000,000 to $13,000,000 by a stock dividend, effective Jan. 20. (Number of shares outstanding 1,300,000 shares, par value $10.)

* * *

The First National Bank of Atmore, Atmore, Ala., has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 27. (Number of shares outstanding 2,000 shares, par value $100.)

* * *

The Citizens National Bank and Trust Company of Houma, Houma, La., has increased its common capital stock from $600,000 to $800,000 by a stock dividend, effective Jan. 25. (Number of shares outstanding 32,000 shares, par value $25.)

* * *

The First National Bank of West Monroe, West Monroe, La., has increased its common capital stock from $300,000 to $400,000 by the sale of new stock, effective Jan. 20. (Number of shares outstanding 40,000 shares, par value $10.)

The First National Bank of Fort Worth, Fort Worth, Texas, has increased its common capital stock from $8,400,000 to $8,820,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 882,000 shares, par value $10).

* * *

The First National Bank of Huntsville, Huntsville, Texas, has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 10,000 shares, par value $20).

* * *

The Orange National Bank of Orange, Texas, has increased its common capital stock from $400,000 to $500,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 25,000 shares, par value $20).

* * *

The First National Bank in Orange, Orange, Texas, has increased its common capital stock from $300,000 to $400,000 by a stock dividend, effective Jan. 17. (Number of shares outstanding 40,000 shares, par value $10).

* * *

The First National Bank of Stanton, Stanton, Texas, has increased its common capital stock from $100,000 to $200,000 by a stock dividend, effective Jan. 18. (Number of shares outstanding 2,000 shares, par value $100).

* * *

Chairman of the board of the **National Bank of Commerce, Houston, Texas,** Robert P. Doherty, has resumed duties as President.

At their annual meeting, stockholders approved a 4% stock dividend and a two-for-one stock split, reducing par value of the stock to $10 from $20.

Also announced was the appointment of John T. Jones as Vice-Chairman of the Board and P. C. Rehrauer, Executive Vice-President.

* * *

The Mercantile National Bank, Dallas, Texas, announced the promotions of John Darrell Francis to President, Milton F. Brown, to Chairman of the Executive Committee and Chief Executive Officer and Robert L. Thornton, Jr., to Executive Vice-President.

* * *

Ralph H. McCullough was elected to the Board of Directors of the **First City National Bank, Houston, Texas.**

* * *

First National Bank in Dallas, Texas, Jan. 17 elected to the bank's Board of Directors Henry C. Beck, Jr., Leo F. Corrigan, Sr., Edwin L. Cox, John D. Murchison, J. T. Suggs and Travis T. Wallace.

* * *

The First National Bank in Cleburne, Texas, has increased its common capital stock from $150,000 to $250,000 by a stock dividend, effective Jan. 27. (Number of shares outstanding 25,000 shares, par value $10.)

* * *

The First National Bank in Pleasanton, Pleasanton, Texas, has increased its common capital stock from $50,000 to $150,000 by a stock dividend, effective Jan. 24. (Number of shares outstanding 1,500 shares, par value $100.)

* * *

At the annual meeting in Phoenix, shareholders of the **Valley National Bank of Phoenix, Arizona,** approved changing the name to **Valley National Bank of Arizona.** Also approved was a 3% stock dividend declared in December and the election of Earl L. Bimson and Alf B. Claridge to the Board.

* * *

Ralph E. Bruneau retires as a **Valley National Bank, Phoenix, Ariz.** Senior Loan Officer.

A VNB executive for the past quarter century, Bruneau will continue with the Bank as a consultant handling special assignments.

Bruneau has been a member of Valley Bank's credit management committee since 1957. Some 42,000 loans totaling more than $390 million were made by Valley Bank during his previous 22 years as chief real estate loan officer.

Under Bruneau's direction, Valley Bank has been the largest source of FHA financing in Arizona since 1934 when it made the state's first FHA home loan.

In 1935 he joined Valley Bank as Manager of its mortgage loan department, which he helped organize. Upon his return from World War II service, he was promoted to Vice-President.

As a result of his national affiliations and Valley Bank assignments around the nation, Bruneau is personally acquainted with the executive heads of virtually all leading U. S. commercial Banks. His part-time duties with VNB will enable him to maintain these contracts,

* * *

The Denver United States National Bank, Denver, Colo., has increased its common capital stock from $8,000,000 to $9,000,000 by a stock divivdend, effective Jan. 27. (Number of shares outstanding 900,000 shares, par value $10.)

* * *

The First National Bank in Grand Junction, Grand Junction, Colo., has increased its common capital stock from $500,000 to $600,000 by a stock dividend, effective Jan. 26. (Number of shares outstanding 6,000 shares, par value $100.)

* * *

Joseph Bianco, formerly President of the **Conrad National Bank of Kalispell, Mont.,** has been elected President of the **Bank of Idaho, Boise, Idaho.** He will succeed James Byers, who has been named President of the **First National Bank of Arizona, Phoenix, Ariz.**

* * *

The First National Bank of Bonners Ferry, Bonners Ferry, Idaho, has increased its common capital stock from $50,000 to $150,000 by a stock dividend, effective Jan. 25. (Number of shares outstanding 2,500 shares, par value $60.)

* * *

The California Bank, Los Angeles, Calif., has received permission to merge with the **First Western Bank and Trust Company, San Francisco, Calif.,** under the title of the **United California Bank, Los Angeles, Calif.**

* * *

The United States National Bank of San Diego, San Diego, Calif., has increased its common capital stock from $4,000,000 to $4,100,000 by a stock dividend, effective Jan. 19. (Number of shares outstanding 410,000 shares, par value $10).

* * *

The promotion of men within the Municipal Bond Department of **Bank of America, San Francisco, Calif.,** was announced by Alan K. Browne, Vice-President.

Theodore A. Griffinger has been advanced to Assistant Head of the Municipal Bond Dept. Lawrence H. Prager has been promoted to head of the Investment Banking Section for the Department. James Reed has been advanced to head of the Portfolio Administration Section in charge of the extensive portfolio of municipal bonds held by the Bank. Arthur J. Micheletti has been promoted to head the Municipal Bond Trading activities of the Bank.

* * *

Robert J. Reilly has been appointed Vice-President—customer Service Research department of **the Bank of America, San Francisco, Calif.**

* * *

The Crocker-Anglo National Bank, California, offer to merge with the **Bank of San Rafael** and its affiliated **First National Bank of San Rafael, California,** has been accepted. According to the proposed merger plan, two shares of Crocker-Anglo would be exchanged for each combined share of the San Rafael Banks. This agreement is subject to the approval of the shareholders of the three Banks and the State of California.

* * *

The **Community National Bank of Buttonwillow, Buttonwillow, California** has changed its name to the **Community National Bank of Kern County,** effective Dec. 20.

* * *

Merger of **California Bank Los Angeles, Calif.** and **First Western Bank, Calif.** was approved by the Federal Reserve Board thus permitting the creation of a new statewide banking chain to be known as **United California Bank Los Angeles, Calif.**

In announcing approval of the merger, Frank L. King, Chairman of the Board of Firstamerica Corporation, stated that physical merger of the two banks will take place about the last week of February.

Shareholders of California Bank will receive $1\frac{1}{4}$ shares of United California Bank stock for each share of California Bank stock now held. Shareholders of **First Western Bank** will receive one share of United California Bank stock for each share of **First Western Bank** stock now held. Frank L. King, Chairman of the Board of California Bank, will continue as Chairman of the Board, Los Angeles, and Chief Executive Officer of United California Bank with Clifford Tweter as President. Francis S. Baer, Chairman of the Board of First Western Bank, will serve United California Bank as Chairman of the Board, San Francisco.

* * *

The Bank of California, N. A., San Francisco, Calif., has received approval from the Comptroller of Currency to establish an office in San Mateo. The office will be located in the new Bank of California Building on El Camino Real and 4th Avenue.

* * *

The Sumitomo Bank (California), San Francisco, Calif., has changed its title to **The Sumitomo Bank of California.**

* * *

The merger of the **Oregon Bank, Portland, Oregon,** with the **Rogue Valley State Bank, Medford, Oregon,** under the title of the **Oregon Bank,** has been approved.

* * *

Donald F. Plympton, has been named a Vice-President of **Oregon Mutual Savings Bank.**

* * *

Charles D. Sunders has been appointed Board Chairman, Frank E. Jerome was named Vice-Chairman of the Board, and Robert S. Beaupre, President of the **Seattle-First National Bank, Seattle, Wash.,** Philip L. Corneil was named Executive Vice-President.

* * *

Four top-level executive management promotions, which will become effective Dec. 30, have been announced by the **Seattle-First National Bank, Seattle, Wash.**

Charles D. Saunders, Executive Vice-President, will become Chairman of the Executive Committee succeeding Don H. Wageman who will retire at the year-end.

Frank E. Jerome, President, will become Vice-Chairman of the Board, a new position.

Robert S. Beaupre, Vice-President, will succeed Mr. Jerome as President.

Philip L. Corneil, also a Vice-President, will become an Executive Vice-President.

The Board announcement stated that Lawrence M. Arnold, Chairman since 1941, will continue to serve as the Bank's Senior Executive and Administrative Officer.

* * *

Charles D. Saunder has been named Chairman of the Executive Committee, while Lawrence M. Arnold was elected Chairman of the Board of the **Seattle-First National Bank, Seattle, Wash.**

* * *

L. S. Mackersy, Chairman of the **Imperial Bank of Canada,** would be Chairman of a new institution which would result of planned amalgamation of the **Canadian Bank of Commerce** and the **Imperial Bank of Canada.** N. J. McKinnon, Chairman and President of the Bank of Commerce, would be President and Chief Executive Officer; John S. Proctor, President of Imperial, will be executive Vice-President; J. P. R. Wadsworth, Vice-President and General Manager of the Bank of Commerce, would hold the same position in the new Bank, and H. W. Thomson, General Manager of Imperial, would be joint General Manager.

If approved by two-thirds of the shareholders, such a combination would result in a bank second in assets among Canadian banks to the Royal Bank of Canada. The proposed name for the Bank is the **Canadian Imperial Bank of Commerce,** and would have assets of over $4,000,000,000.

* * *

The Bank of Montreal, Montreal, Canada announced the election of Harold S. Foley and R. D. Mulholland as Vice-Presidents, and A. Searle Leach as a Director.

* * *

R. A. Peterson, President of **Bank of Hawaii,** has announced that Kenneth J. Pratt was elected Vice - President and Manager; Frank J. Manaut, Vice-President and Manager; and H. Vincent Danford, Vice-President.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Accesso Corp.
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

• Acme Missiles & Construction Corp.
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None. **Offering** — Expected in late February.

ACR Electronics Corp.
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

• A-Drive Auto Leasing System Inc. (3/6-10)
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price** —$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

Aerosol Techniques, Inc. (2/20-24)
Dec. 28, 1960 filed 125,000 shares of common stock. **Price** —$4 per share. **Business** — The company manufactures and packages cosmetic, household, industrial, pharmaceutical, medicinal, dental and veterinary aerosol products for other concerns for sale by them under their own brand names. **Proceeds**—For working capital. **Office**—111 Stilliman Ave., Bridgeport, Conn. **Underwriter** — Michael G. Kletz & Co., Inc., New York City (managing).

• Aerosonic Corp. (2/14-17)
Jan. 13, 1961 (letter of notification) 62,300 shares of common stock (par 10 cents). **Price** — $2.20 per share. **Proceeds**—To go to selling stockholders. **Address**—Clearwater, Fla. **Underwriters**—French & Crawford, Inc., Atlanta, Ga.; Powell, Kistler & Co., Fayetteville, N. C.; Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.; Courts & Co., and Clement A. Evans & Co., Inc., Atlanta, Ga.

★ Air-X Industries, Inc.
Jan. 31, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For purchase of machinery and equipment and for furniture and fixtures and leasehold improvements, including electrical plumbing and heating work. **Office** —1210 Randall Avenue, Bronx, N. Y. **Underwriter** — Lewis Wolf Associates, New York, N. Y.

Alaska Creamery Products, Inc.
Dec . 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2.25 per share. **Proceeds** —To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—Paul Nichols Co., Inc., Anchorage, Alaska.

Albee Homes, Inc.
Jan. 24, 1961 filed 172,500 shares of common stock. **Price** —To be supplied by amendment. **Business**—The sale of pre-cut packaged home building materials. **Proceeds**—To be used by the company's wholly-owned subsidiary to finance future credit sales. **Office**—931 Summit St., Niles, O. **Underwriter**—G. H. Walker & Co., New York City (managing). **Offering**—Expected in early March.

• Alkon Industries, Inc. (2/14-17)
Dec. 29, 1960 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price** — $5 per share. **Business**—General construction. **Proceeds**—For working capital and general corporate purposes. **Office**—400 Morris Avenue, Long Branch, N. J. **Underwriter**—Meade & Co., New York, N. Y.

All American Engineering Co.
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each four shares held. **Price** — To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds**—For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing). **Offering**—Indefinitely postponed.

Allen & Steen Acceptance Co.
Jan. 17, 1961 (letter of notification) $200,000 of 6% sinking fund debentures, 1975 series to be offered in denominations of $1,000 and $500 each. **Price**—At face value. **Proceeds** — For working capital. **Office**—28 S. 8th St., Terre Haute, Ind. **Underwriter** — City Securities Corp., Indianapolis, Ind.

Altamil Corp.
Nov. 30, 1960 filed 251,716 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of large machined structural components and stainless steel sandwich panels for use in military and commercial aircraft and missiles. **Proceeds**—To selling stockholders. **Office**—225 Oregon St., El Segundo, Calif. **Underwriter**—None.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

American Educational Life Insurance Co.
Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par $1) and 240,000 shares of class B nonvoting common stock to be sold in uints, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

American Machine & Foundry Co. (2/28)
Jan. 17, 1961 filed $40,500,000 of convertible subordinated debentures, to be offered to common stockholders on the basis of one $100 debenture for each 20 shares of common held of record Feb. 28. Rights expire March 16. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term loans and furnish additional working capital for domestic and foreign expansion. **Office**—261 Madison Avenue, New York 16, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

American Molded Fiberglass Co. (3/1)
Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price**—$4 per share. **Business** — Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds** — For general corporate purposes. **Office** — 40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds** —To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American & St. Lawrence Seaway Land Co., Inc.
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—60 E. 42nd Street, New York 17, N. Y. **Underwriter** — None. **Offering**—Imminent.

American Telephone & Telegraph Co. (2/23)
Jan. 27, 1961 filed 11,225,000 shares of capital stock to be offered for subscription by stockholders on the basis of one new share for each 20 shares held of record Feb. 28, with rights to expire April 14. **Price**—To be supplied by amendment. However, the company stated that the

Continued on page 30

NEW ISSUE CALENDAR

February 9 (Thursday)

TelAutograph Corp. .... **Common**
(Offering to stockholders—underwritten by Baird & Co.; Richard J. Buck & Co. and Chace, Whiteside & Winslow, Inc.) 187,000 shares

February 10 (Friday)

International Electronic Research Corp.... **Common**
(Schwabacher & Co.) 220,000 shares

Kleer-Vu Industries, Inc. .... **Common**
(Paul Eisenberg Co. and Godfrey, Hamilton, Magnus & Co., Inc.) $402,500

Seeman Brothers, Inc. .... **Preferred**
(Gregory & Sons and Straus, Blosser & McDowell) 98,150 shares

Town Photolab, Inc. .... **Common**
(Michael G. Kletz & Co.) $600,000

February 13 (Monday)

Portland Terminal Co. .... **Bonds**
(Coffin & Burr, Inc.) $9,850,000

February 14 (Tuesday)

Aerosonic Corp. .... **Common**
(French & Crawford, Inc.; Powell, Kistler & Co.; Clark, Landstreet & Kirkpatrick; Courts & Co. and Clement A. Evans & Co., Inc.) $137,060

Alkon Industries, Inc. .... **Common**
(Meade & Co.) $250,000

Atlantic Fund for Investment in U. S. Government Securities, Inc. .... **Common**
(Capital Counsellors) $50,000,000

Banner Industries, Inc. .... **Units**
(Netherlands Securities Co., Inc.) $1,250,000

Chemical Contour Corp. .... **Capital**
(D. A. Lomasney & Co.) $300,000

Compression Industries Corp. .... **Common**
(I. R. E. Investors Corp.) $250,000

Coral Aggregates Corp. .... **Common**
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000

Drexel Equity Fund, Inc. .... **Common**
(Drexel & Co.) $500,000

Falls Plaza Limited Partnership .... **Units**
(Hodgdon & Co., Inc. and Investor Service Securities, Inc.) $480,000

General Bowling Corp. .... **Common**
(P. J. Gruber & Co.; McMahon, Lichtenfeld & Co.; and T. M. Kirsch & Co.) $500,000

International Safflower Corp. .... **Common**
(Copley & Co.) $300,000

Model Finance Service, Inc. .... **Debentures**
(Paul C. Kimball & Co.) $1,000,000

Model Finance Service, Inc. .... **Preferred**
(Paul C. Kimball & Co.) 100,000 shares

Mortgage Guaranty Insurance Corp. .... **Common**
(Bache & Co.) 155,000 shares

Palomar Mortgage Corp. .... **Debentures**
(J. A. Hogle & Co.) $1,100,000

Rajac Self-Service, Inc. .... **Common**
(James Co.) $453,125

Rixon Electronics, Inc. .... **Capital**
(Auchincloss, Parker & Redpath) 115,000 shares

Southern Co. .... **Common**
(Bids 3:45 p.m. EST) 750,000 shares

Steel Crest Homes, Inc. .... **Units**
(Marron, Sloss & Co., Inc. and Harrison & Co.) $810,000

Super Market Distributors, Inc. .... **Common**
(Clayton Securities Corp.) $1,000,000

Telescript C. S. P., Inc. .... **Common**
(Robert A. Martin Associates, Inc.) $300,000

Toledo Plaza Investment Trust .... **Ben. Trust Ctfs.**
(Hodgdon & Co., Inc.) $522,500

Westmore, Inc. .... **Common**
(Vincent, James & Co., Inc.) $300,000

Wings & Wheels Express, Inc. .... **Common**
(Globus, Inc. and Ross, Lyon & Co., Inc.) $255,000

February 15 (Wednesday)

Automobile Banking Corp. .... **Units**
(Reynolds & Co., Inc. and Cruttenden, Podesta & Co.) $2,000,000

Chesapeake & Potomac Telephone Co. ...... **Bonds**
(Bids 11:00 a.m. EST) $20,000,000

Circle Controls Corp. .... **Common**
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000

Citizens & Southern Capital Corp. .... **Common**
(The Johnson, Lane, Space Corp.; Courts & Co. and Robinson-Humphrey Co., Inc.) $1,650,000

Eastern Bowling Corp. .... **Class A**
(Schirmer, Atherton & Co.) 150,000 shares

Elion Instruments, Inc. .... **Units**
(Warner, Jennings, Mandel & Longstreth) 60,000 units

Gulf Guaranty Land & Title Co. .... **Units**
(Street & Co.) $1,500,000

Jefferson Lake Asbestos Corp. .... **Units**
(A. G. Edwards & Sons) $3,500,000

Jouet, Inc. .... **Common**
(Edward H. Stern & Co.) $300,000

Patrician Paper Co., Inc. .... **Common**
(Hill, Darlington & Grimm) $1,140,000

Puget Sound Power & Light Co. .... **Common**
(Blyth & Co., Inc.) 326,682 shares

Techmation Corp. .... **Common**
(First Philadelphia Corp.) $175,000

Tip Top Products Co. .... **Common**
(J. Cliff Rahel & Co. and First Trust Co. of Lincoln) 60,000 shares

West Texas Utilities Co. .... **Bonds**
(Bids 10:30 a.m. CST) $8,000,000

February 16 (Thursday)

General Motors Acceptance Corp. .... **Debentures**
(Morgan Stanley & Co.) $150,000,000

Geochron Laboratories, Inc. .... **Common**
(Globus, Inc. and Ross, Lyon & Co.) 150,000 shares

Puget Sound Power & Light Co. .... **Bonds**
(Blyth & Co., Inc.) $15,000,000

Continued on page 30

Continued from page 29

February 20 (Monday)

Aerosol Techniques, Inc.________Common
(Michael G. Kletz & Co., Inc.) $500,000

Berkey Photo Service, Inc.________Common
(Paine, Webber, Jackson & Curtis) 360,000 shares

Canaveral International Corp.________Common
(Robert A. Martin Associates) 300,000 shares

Colorite Plastics, Inc.________Common
(P. W. Brooks & Co., Inc.) 100,000 shares

Colorite Plastics, Inc.________Bonds
(P. W. Brooks & Co., Inc.) $900,000

Golden Crest Records, Inc.________Common
(Dean Samitas & Co., Inc. and Valley Forge Securities Co., Inc.) $255,000

Grayway Precision, Inc.________Common
(Harrison & Co. and Marron, Sloss & Co. Inc.) $300,000

Jonker Business Machines, Inc.________Units
(Hodgdon & Co., Inc.) 50,000 units

Management Assistance Inc.________Common
(Federman, Stonehill & Co.) $300,000

Milo Electronics Corp.________Common
(Myron A. Lomasney & Co.) $750,000

Roblin-Seaway Industries, Inc.________Class A
(Brand, Grumet & Seigel, Inc.) $480,000

Shore-Calnevar, Inc.________Common
(H. Hentz & Co. and Federman, Stonehill & Co.) 200,000 shares

Simplex Wire & Cable Co.________Capital
(Paine, Webber, Jackson & Curtis) 118,000 shares

Solite Products Corp.________Units
(William, David & Motti, Inc.) $225,000

Telephone & Electronics Corp.________Common
(Equity Securities Co.) $264,900

Tensor Electric Development Co., Inc.___Common
(Dresner Co., Michael & Co. and Satnick & Co., Inc.) $300,000

Whippany Paper Board Co., Inc.________Common
(Van Alstyne, Noel & Co.) 250,000 shares

Wollard Aircraft Service Equipment, Inc.____Com.
(Amos Treat & Co., Inc.) $540,000

February 23 (Thursday)

American Telephone & Telegraph Co.___Common
(No underwriting) 11,225,000 shares

Mohawk Insurance Co.________Common
(R. F. Dowd & Co., Inc.) $900,000

Photo Service, Inc.________Common
(Cruttenden, Podesta & Co.) 162,500 shares

February 24 (Friday)

Dixie Natural Gas Corp.________Common
(Vestal Securities Corp.) $300,000

February 27 (Monday)

Automation Laboratories, Inc.________Common
(Sandkuhl & Co.) $266,800

Bowling & Construction Corp.________Common
(Arnold Malkan & Co., Inc.) $600,000

FWD Corp.________Debentures
(Offering to stockholders—underwritten by A. C. Allyn & Co., Inc.) $300,000

Greenfield Real Estate Investment Trust__Ben. Int.
(Drexel & Co.) 500,000 shares

Ilikon Corp.________Common
(Myron A. Lomasney & Co.) $375,000

Invesco Collateral Corp.________Units
(No underwriting) $777,300

Mercury Electronics Corp.________Common
(S. Schramm & Co. Inc.) $300,000

Palm Developers Limited________Common
(David Barnes & Co., Inc.) $300,000

Radar Measurements Corp.________Common
(Blaha & Co., Inc.) $299,950

Renwell Electronics Corp. of Delaware___Common
(William David & Motti, Inc.) $400,000

United Boatbuilders, Inc.________Common
(Birr & Co., Inc. and Marron, Sloss & Co., Inc.) 100,000 shares

U. S. Mfg. & Galvanizing Corp.________Common
(Armstrong Corp.) $300,000

Wometco Enterprises, Inc.________Stock
(Lee Higginson Corp. and A. C. Allyn & Co., Inc.) 100,000 shares

February 28 (Tuesday)

Fund of America, Inc.________Common
(Ladenburg, Thalmann & Co. and Minis & Co., Inc.) $5,000,000

Great Northern Ry.________Equip. Trust Ctfs.
(Bids noon EST) $5,100,000

March 1 (Wednesday)

American Molded Fiberglass Co.________Common
(Vestal Securities Corp.) $148,172

Dodge Wire Corp.________Common
(Plymouth Securities Corp.) $600,000

Hydro-Electronics Corp.________Common
(Lloyd Securities) $300,000

International Diode Corp.________Preferred
(T. M. Kirsch Co.) $336,000

Ram Electronics, Inc.________Common
(Plymouth Securities Corp.) $300,000

Search Investments Corp.________Common
(No underwriting) $1,000,000

Storer Broadcasting Co.________Common
(Reynolds & Co., Inc.) 263,000 shares

March 2 (Thursday)

Municipal Investment Trust Fund, Series A__Units
(Ira Haupt & Co. — Sponsor) $20,000,000

March 6 (Monday)

A-Drive Auto Leasing System, Inc.________Class A
(Hill, Darlington & Grimm) $1,000,000

Eastern Can Co., Inc.________Class A Stock
(Milton D. Blauner & Co., Inc.) $1,400,000

Forcite, Inc.________Common
(Myron A. Lomasney & Co.) $750,000

Sunset Color Laboratories, Inc.________Common
(Jacey Securities Co.) $180,000

Swiss Chalet, Inc.________Units
(P. W. Brooks & Co., Inc. and Compania Financiera de Inversiones, Inc.) $1,150,000

Wyle Laboratories________Common
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton) 110,000 shares

March 7 (Tuesday)

Louisville & Nashville RR.________Equip. Trust Ctfs.
(Bids noon EST) $7,735,000

March 8 (Wednesday)

Leaseway Transportation Corp.________Common
(Hayden, Stone & Co.) 150,000 shares

Marley Co.________Common
(White, Weld & Co., Inc.) 100,996 shares

March 15 (Wednesday)

Rego Insulated Wire Corp.________Common
(Russell & Saxe, Inc.) $900,000

March 21 (Tuesday)

Southern Bell Telephone & Telegraph Co.__Debens.
(Bids to be received) $70,000,000

March 23 (Thursday)

Alabama Power Co.________Preferred
(Bids 11 a.m. EST) $8,000,000

Alabama Power Co.________Bonds
(Bids 11 a.m. EST) $13,000,000

March 27 (Monday)

Mansfield Industries, Inc.________Common
(McDonnell & Co., Inc.) 150,000 shares

April 4 (Tuesday)

Southern California Edison Co.________Bonds
(Bids 8:30 a.m. PST) $30,000,000

April 20 (Thursday)

Orange & Rockland Utilities, Inc.________Bonds
(Bids to be received) $12,000,000

May 25 (Thursday)

New Orleans Public Service, Inc.________Bonds
(Bids to be received) $15,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.________Bonds
(Bids 11 a.m. EST) $30,000,000 to $35,000,000

June 15 (Thursday)

Southern Electric Generating Co.________Bonds
(Bids 11 a.m. EST) $27,000,000

September 28 (Thursday)

Mississippi Power Co.________Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.________Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.________Bonds
(Bids to be received) $15,500,000

Georgia Power Co.________Preferred
(Bids to be received) $8,000,000

December 7 (Thursday)

Gulf Power Co.________Bonds
(Bids to be received) $5,000,000

Continued from page 29

price is expected to be somewhat below the market price of outstanding shares at the time of the offering. **Proceeds**—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—None.

★ Annandale Terrace Limited Partnership
Feb. 1, 1961 filed 306 units of limited partnership interests. **Price**—$1,000 per unit. **Business**—The company is a partnership formed on Jan. 27, 1961 to purchase an undivided one-half interest in the Annandale Terrace Apartments, Annandale, Va. **Proceeds**—Estimated at $267,460 after deduction of expenses will be used to purchase the above one-half interest. **Office**—1722 L St., N. W., Washington,, D. C. **Underwriter**—Berens Securities Corp., Washington, D. C.

Apco Oil Corp.
Jan. 13, 1961 filed $10,102,100 of subordinated debentures, due April 1, 1981 and 505,105 shares of common stock to be offered for subscription by holders of class A and class B stock of Union Texas Natural Gas Corp., in units consisting of one $100 debenture and five common shares on the basis of one unit for each 70 shares of class A and/or class B stock of Union Texas. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law on Aug. 15, 1960 and later entered into an agreement with Union Texas and others to purchase the properties of Anderson-Prichard Oil Corp., for a total of $25,200,000 plus its share of Anderson-Prichard liabilities. **Proceeds**—The company will use the proceeds, together with $12,000,000 to be borrowed from banks, to purchase the business and properties of Anderson-Prichard. **Office**—811 Rusk Avenue, Houston, Texas. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Smith, Barney & Co., both of New York City. **Offering**—Expected sometime in March.

Associated Traffic Clubs Insurance Corp.
Dec. 5, 1960, filed 250,000 shares of common stock (par 80c), to be sold to the Associated Traffic Clubs of America and their members. **Price**—$2 per share. **Business**—Provides insurance coverage to the members of the above club. **Proceeds**—To be added to surplus to maintain it at the amount required by law and to carry on and further develop the business of the company. **Office**—900 Market St., Wilmington, Del. **Underwriter**—A. T. Brod & Co., New York, N. Y. **Offering**—Expected in February.

Atlantic Fund for Investment in U. S. Government Securities, Inc. (2/14-17)
July 22, 1960, filed 2,000,000 shares of common stock. **Price**—$25 per share. **Business**—A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

★ Auburn Burner Co.
Jan. 18, 1961 (letter of notification) 10,000 shares of common stock (no par). **Price**—$30 per share. **Proceeds**—To retire current short-term obligations for additional plant equipment and working capital. **Address**—Edgerton, Ohio. **Underwriter**—None.

Automation Development, Inc.
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y.

● Automation Laboratories, Inc. (2/27-3/3)
Jan. 26, 1961 (letter of notification) 66,700 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company is engaged in the research and development of infra-red devices used for the alignment of ballistic missiles and space vehicles, for automatic positioning of machinery operations and for geodetic surveys. **Offices** — 80 Urban Ave., Westbury, and 179 Liberty Ave., Mineola, N. Y. **Underwriter**—Sandkuhl and Co., Newark, N. J., and New York City.

● Automobile Banking Corp. (2/15)
Dec. 27, 1960, filed $2,000,000 of capital debentures and attached warrants to be offered for public sale in units consisting of one $1,000 debenture and a 10-year warrant to purchase 50 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The financing of instalment sales for automobile dealers. **Proceeds**—To retire outstanding 5½% capital convertible debentures and for expansion. **Office**—6 Penn Center Plaza, Philadelphia, Pa. **Underwriters**—Reynolds & Co., Inc., New York and Cruttenden, Podesta & Co., Chicago (managing).

● Avionics Investing Corp.
July 12, 1960 filed 250,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprice. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Note**—This filing was withdrawn on Feb. 3.

Baldwin Enclosures, Inc.
Dec. 27, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of elevator cabs for apartment houses and office buildings. **Proceeds**—For general corporate purposes. **Office**—59-33 55th St., Maspeth, N. Y. **Underwriter**—Acme Securities Corp., New York, N. Y.

Bal-Tex Oil Co.
Dec. 22, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil and gas properties. **Office** — First National Bank Building, Denver, Colo. **Underwriter**—Equity General Investment Corp., First National Bank Building, Denver, Colo.

● Banner Industries, Inc. (2/14)
Dec. 6, 1960 filed 250,000 shares of common stock (par 10c) 125,000 warrants for the purchase of a like number of common shares and 125,000 common shares underlying the warrants. Offering will be made in units, each unit to consist of two shares of common stock and one warrant for the purchase of one share at $6 per share to May 1, 1962. **Price**—$10 per unit. **Proceeds**—$200,000 will be used to expand the company's imports from Europe and Japan and the balance will be used for additional working capital. **Office**—1311 South 39th St., St. Louis, Mo. **Underwriter**—Netherlands Securities Co., Inc., New York City.

Baruch (R.) & Co.
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 75 cents). **Price** — $2 per share. **Business**—The issuer is a broker-dealer with the SEC, and a member of the NASD. **Proceeds**—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—Same.

Benbow Astronautics, Inc.
Jan. 18, 1961 (letter of notification) 100,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business** — The company supplies the missile and aircraft industries with hydraulic valves and regulators and related mechanical components. **Proceeds**—For additional working capital and for research and development in the fields of cryogenics and high temperature pneumatic systems. **Office**—Culver City, Calif. **Underwriter**—Edward Hindley & Co., 99 Wall St., New York City (managing). **Offering**—Expected in mid-February.

● Berkey Photo Service, Inc. (2/20-24)
Dec. 28, 1960 filed 360,000 shares of common stock of which 80,000 shares will be offered for the account of company and 280,000 shares for the account of selling stockholders. **Price** — To be supplied by amendment.

Business—Photo-processing. **Proceeds**—For general corporate purposes. **Office**—77 East 13th Street, New York City. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Bicor Automation Industries, Inc.
Jan. 23, 1961 filed 110,000 shares of class A common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all the capital stock of four corporations in Fairview, N. J., whose principal business is the importation and sale of embroidery manufacturing machinery. **Proceeds**—For new equipment and working capital. **Office** — 333 Bergen Boulevard, Fairview, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York City.

Boonton Electronics Corp.
Dec. 23, 1960 filed 60,000 shares of common stock plus attached warrants, to be offered for public sale in units consisting of one common share and one-half of a two-year warrant. One full warrant will be required to purchase one share at $5.50 per share during the first year and $6.50 per share the second year. **Price**—$5.50 per unit. **Business**—The design and manufacture of precision electronic measuring equipment. **Proceeds**—For expansion, advertising and sales promotion and for research and development. **Office**—738 Speedwell Avenue, Morris Plains, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City. **Offering**—Expected in early March.

• Bowling & Construction Corp. (2/27-3/3)
Nov. 28, 1960 filed 120,000 shares of class A common stock. **Price**—$5 per share. **Business**—The building, leasing and operation of bowling centers. **Proceeds** — For working capital. **Office**—26 Broadway, New York, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., New York City (managing).

★ Bristol Dynamics Inc.
Feb. 7, 1961 filed 100,000 shares of common stock, of which 70,000 shares will be offered for public sale by the company and 30,000 by a selling stockholder. **Price**—$7 per share. **Proceeds**—The company will use its portion of the proceeds to pay bank loans, expand inventory and purchase raw material, acquire new and larger facilities for business and for research and development and for working capital. **Office** — Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York City.

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

Canadian Superior Oil of California, Ltd.
Jan 5, 1961 filed 1,200,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 3.75 shares held. **Price** —$9 (U. S.) and $8.75 (Can.) per share. **Proceeds**—To repay debts. **Office** — 703 Sixth Avenue, South West, Calgary, Alberta. **Underwriter**—None.

• Canaveral International Corp. (2/20-24)
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). Price—To be supplied by amendment. Business—Land sales and development. Proceeds—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. Office—1766 Bay Road, Miami Beach, Fla. **Underwriter**—Robert A. Martin Associates, New York City.

Canterbury Fund, Inc.
Dec. 29, 1960 filed 150,000 shares of capital stock. **Price** —To be supplied by amendment. **Business** — The fund has been organized to serve principally investment clients of Fiduciary Counsel, Inc., and its subsidiary, The Estate Planning Corp. **Proceeds**—For investment. **Office** —55 Green Village Rd., Madison, N. J. **Underwriter**—Estate Planning Corp. **Offering**—Expected in late February to early March.

Caribbean & Southeastern Development Corp.
Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

Central Hadley Corp.
Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par $10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stellardyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds** —To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

Chalco Engineering Corp.
Jan. 30, 1961 filed 100,000 shares of common stock. **Price** —$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

• Chemical Contour Corp. (2/14-17)
Jan. 19, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—For additional facilities, acquisition of outstanding stock of Organo-Cerams, Inc. and for working capital. **Office** —16627 S. Avalon Blvd., Gardena, Calif. **Underwriter**—D. A. Lomasney & Co., New York, N. Y.

• Chemsol, Inc.
Jan. 16, 1961 filed 200,000 shares of common stock. **Price** —$3 per share. **Business**—The company and its wholly-owned subsidiary, Chemline Corp., buy, sell and refine by-products of the chemical and petrochemical industries, manufacture and sell lime, and reprocess used thermoplastic resins. **Proceeds** — For construction, new equipment and general corporate purposes. **Office**—74 Dod Street, Elizabeth, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in March.

Chesapeake & Potomac Telephone Co. (2/15)
Jan. 23, 1961 filed $20,000,000 of 37-year debentures due Feb. 1, 1998. **Proceeds**—To be applied toward repayment of advances received from American Telephone & Telegraph Co., parent. **Office** — 930 H Street, N. W., Washington, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Morgan Stanley & Co.; White, Weld & Co. **Bids**—To be received in Room 2315, 195 Broadway, New York, N. Y. on Feb. 15 at 11 a.m. (EST). **Information Meeting**—Scheduled for Feb. 9 at 2:30 p.m. (EST) in Room 1900, 195 Broadway, New York, N. Y.

★ Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

• Circle Controls Corp. (2/15)
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters** —Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Citizens Acceptance Corp.
Dec. 29, 1960 filed $500,000 principal amount of series G 6% five year subordinated debentures. **Price** — At 100% of principal or in exchange for outstanding debentures. **Business**—General finance company. **Proceeds** —To increase working capital and to retire outstanding debentures as they mature. **Office**—Georgetown, Del. **Underwriter**—None.

Citizens & Southern Capital Corp. (2/15)
Dec. 21, 1960, filed 300,000 shares of common stock. **Price**—$5.50 per share. **Business**—A small business investment company and a subsidiary of Citizens & Southern National Bank of Atlanta. **Proceeds**—For investment. **Office**—Marietta and Broad Streets, Atlanta, Ga. **Underwriters** — The Johnson, Lane, Space Corp., Savannah; Courts & Co. and Robinson-Humphrey Co. Inc., Atlanta (managing).

Coastal Dynamics Corp.
Jan. 30, 1961 filed 125,000 shares of class A stock. **Price** — $3 per share. **Business** — The company (formerly Coastal Manufacturing Corp.) merged with Wesco Plastic Products, Inc., and is principally engaged in the development, manufacture and sale of edge-lighted instrument and control panels for use in the aircraft, missile and electronic industries. **Proceeds** — For new equipment; payment of debts; to increase inventory of electronic component parts; and for working capital. **Office**—219 Rose Avenue, Venice, Calif. **Underwriter** — V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing).

• Colber Corp.
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine Street, New York 5, N. Y.

• Colonial Mortgage Service Co.
Jan. 31, 1961 filed 100,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business** —Originating and servicing mortgage loans for institutional investors. **Office** — 141 Garrett Road, Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly). **Offering**—Expected in early April.

• Colorite Plastics, Inc. (2/20-24)
Dec. 22, 1960 filed $900,000 principal amount of first mortgage bonds, 6½% series, due 1976 (with detachable common stock purchase warrants) and 100,000 shares of common stock. **Price**—For the bonds: 100% of face amount plus accrued interest. For the stock: To be supplied by amendment. **Business**—The manufacture of plastic garden hose, tubes, rods, strips, gaskets, and related items. **Proceeds**—To purchase land, buildings and equipment and for working capital. **Office**—50 California Ave., Paterson, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Commerce Oil Refining Corp.
Dec. 16, 1958 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price** — To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commonwealth International & General Fund, Inc.
Dec. 19, 1960, filed 400,000 shares of common capital stock. **Price**—$12.50 per share. **Business**—A diversified, open-end, managed investment company. **Proceeds**—For investment. **Office**—615 Russ Bldg., San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco (dealer-manager).

• Compression Industries Corp. (2/14)
Dec. 19, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Construction of swimming pools. **Proceeds**—For general corporate purposes. **Office**—313 W. Jericho Turnpike, Huntington, N. Y. **Underwriter**—I. R. E. Investors Corp., 3000 Hempstead Turnpike, Levittown, N. Y.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. Price—$1 per share. Proceeds—To establish a $250,000 revolving **fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. Office**—1321 Lincoln Ave., Little Rock, **Ark. Underwriter**—The Huntley Corp., Little Rock, **Ark.**

Copter Skyways, Inc.
Jan. 16, 1961 filed 15,000,000 shares of no par common stock. **Price**—3 cents per share. **Proceeds**—To acquire the equipment, real estate and other materials necessary to commence business. **Office**—Penn-Sheraton Hotel, Pittsburgh, Pa. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

• Coral Aggregates Corp. (2/14)
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

Cumberland Shoe Corp.
Jan. 3, 1961 (letter of notification) 37,115 shares of common stock (par 50 cents) to be offered for subscription by stockholders of the company with the right to purchase one share for each five shares held. Rights expire in 30 days. **Price**—$3.75 per share. **Office**—North Margin Street, Franklin, Tenn. **Underwriter** — Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

Custom Components, Inc.
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y.

Dalto Corp.
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

Delanco Electric Co., Inc.
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office** —111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y. **Offering**—Expected in mid-February.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price** —$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Detroit Tractor, Ltd.
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

Continued on page 32

Continued from page 31

Dixie Natural Gas Corp. (2/24)
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

★ Dob Corp.
Jan. 30, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—$4 per share. **Proceeds**—For lease improvements, to purchase new machinery and equipment, increase inventory and for working capital. **Office**—3318 La Cienega Place, Los Angeles, Calif. **Underwriter**—Morgan & Co., Los Angeles, Calif.

Dodge Wire Corp. (3/1)
Dec. 7, 1960, filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

Dolomite Glass Fibres, Inc.
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter**—None.

• Drexel Equity Fund, Inc. (2/14-17)
Oct. 25, 1960 filed 500,000 shares of common stock (par 10 cents). **Price**—$10.20 per share. **Business**—This is a new mutual fund, organized as a closed-end fund on Oct. 19, which will become open-end pursuant to the public sale of these shares. **Proceeds**—For portfolio investment. **Office**—1500 Walnut Street, Philadelphia, Pa. **Distributor and Investment Adviser**—Drexel & Co., Philadelphia, Pa.

• Dynamic Instrument Corp.
Jan. 27, 1961 filed 150,000 shares of common stock (full registration). **Price**—$2 per share. **Business**—The company is engaged in the design, manufacture and sale of electro-magnetic clutches and brakes and in the machinery of precision instrument components on a sub-contract basis. **Proceeds**—To repay loans, complete and develop new products and for working capital. **Office**—59 New York Ave., Westbury, L. I., N. Y. **Underwriters**—T. W. Lewis & Co., Inc., and Amos Treat & Co., Inc., both of New York City and Bruno-Lenchner, Inc., Pittsburgh. **Offering**—Expected in mid-March.

★ Dynatronics, Inc.
Feb. 3, 1961 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, manufacture and sale of electronic equipment and systems, including antenna, digital and timing systems. **Proceeds**—For repayment of bank loans, new equipment and working capital. **Address**—P. O. Box 2566, Orlando, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

Eastern Bowling Corp. (2/15)
Nov. 29, 1960 filed 150,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The acquisition, establishment and operation of bowling centers. **Proceeds**—For general business purposes. **Office**—99 West Main St., New Britain, Conn. **Underwriter**—Schirmer, Atherton & Co., Boston (managing).

Eastern Camera Exchange, Inc.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price—$4 per share. Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & Co., Inc., New York, N. Y.

Eastern Can Co., Inc. (3/6-10)
Jan. 23, 1961 filed 200,000 shares of class A stock. **Price**—$7 per share. **Business**—The company is engaged in the business of manufacturing tin plate cans for the packaging and marketing of different types of food, petrochemicals and other products. **Proceeds**—For new equipment; completion of a new manufacturing plant at Passaic, N. J.; the moving of metal container manufacturing equipment from Brooklyn to Passaic, and for working capital. **Office** — 649 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York City.

• Edwards Industries, Inc.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price**—$4.50 per share. **Proceeds** — For land, financing of homes, and working capital relating to such activities. **Office**—Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City (managing). **Offering**—Imminent.

Electro Consolidated Corp.
Jan. 27, 1961 filed 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged in the design, manufacture, distribution and sale of fluorescent and incandescent lighting fixtures for commercial and industrial use, and the manufacture and sale of household appliances including broilers and food-slicers. **Proceeds**—For the repayment of bank loans, new equipment, and working capital. **Office** — Spruce and Water Streets, Reading, Pa. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds** — To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

• Electro-Tech Instruments, Inc.
Nov. 29, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For inventory, advertising and working capital. **Office**—5 N. Mason St., Portland, Oreg. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y., has withdrawn as underwriter.

• Elion Instruments, Inc. (2/15)
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

★ Executive Fund, Inc.
Feb. 2, 1961 filed 2,500,000 shares of common stock. **Business**—A new open-end investment company. **Proceeds**—For investment. **Office**—229 West Berry St., Fort Wayne, Ind. **Underwriter**—Executive Management Corp., Fort Wayne, Ind.

Falls Plaza Limited Partnership (2/14-17)
Dec. 5, 1960 filed 480 units of limited partnership interests. **Price**—$1,000 per unit. **Business**—The building and operation of a shopping center on Broad Street in Falls Church, Va. **Proceeds**—For the purchase of land and the erection of a shopping center. **Office** — 1823 Jefferson Place, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., and Investor Service Securities Inc., both of Washington, D. C.

Faradyne Electronics Corp.
Jan. 30, 1961 filed $1,500,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—To be named.

• Filmohm Corp.
Dec. 27, 1960 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of thin film electronic components. **Proceeds**—For general corporate purposes. **Office**—48 W. 25th St., New York, N. Y. **Underwriter**—Kidder, Peabody & Co., New York, N. Y. **Offering**—Expected in late February.

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

Florida Guaranty Title & Trust Co.
Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). **Price**—$3.60 per share. **Proceeds** — To pay a second mortgage instalment, for advertising, and for working capital. **Office**—1090 N. E. 79th St., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

• Forcite, Inc. (3/6-10)
Jan. 26, 1961 filed 150,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of a specialized line of furniture, and the operation of a chain of retail furniture stores in New York City, Chicago, Ill., and Los Angeles, Calif. **Proceeds**—To repay loans, discharge outstanding 7% debentures due in March 1962, finance the opening of new retail outlets and for working capital. **Office**—117-20 14th Road, College Point, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City.

Foremost Industries, Inc.
Oct. 14, 1960 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Business**—Manufacturers of stainless steel food service equipment used by department, drug and variety chain stores, and institutions. **Proceeds**—For expansion; to repay a loan; advertising, sales and promotion; for working capital and general corporate purposes. **Office**—250 W. 57th St., New York, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York, N. Y.

Fund of America, Inc. (2/28)
Jan. 6, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business** — The company, formerly named Southern Industries Fund, Inc., is an open-end balanced investment trust. **Office**—60 East 42nd Street, New York, N. Y. **Underwriters**—Ladenburg, Thalmann & Co., New York City and Minis & Co., Inc., Savannah, Georgia.

• FWD Corp. (2/27)
Dec. 15, 1960 (letter of notification) $300,000 of 6% 10-year convertible debentures to be offered for subscription by holders of common stock of record Feb. 27 in multiples of $100 in unrestricted amounts. **Price**—At face value. **Proceeds**—To purchase the outstanding stock of Wagner Tractor, Inc. **Address** — Clintonville, Wis. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

• General Bowling Corp. (2/14-17)
Nov. 17, 1960 filed 100,000 shares of common stock (par 10c). **Price**—$5 per share. **Business**—The issuer owns two bowling establishments, and a tract of land in Indiana County, Pa., on which it hopes to build a third. **Proceeds**—To equip the prospective establishment ($150,000), to repay a bank loan ($50,000), to add eight lanes to a bowling facility ($50,000), and the balance will be used for working capital. **Office**—2 Park Avenue, Manhasset, L. I., N. Y. **Underwriters** — P. J. Gruber & Co., Inc. (managing); McMahon, Lichtenfeld & Co., and T. M. Kirsch & Co., all of New York City.

• General Motors Acceptance Corp. (2/16)
Jan. 31, 1961 filed $150,000,000 of 22-year debentures due 1983. **Price**—To be supplied by amendment. **Business**—Finances instalment sales of vehicles and appliances produced by General Motors Corp. **Proceeds**—For the purchase of receivables and for maturing debt. **Office**—1775 Broadway, New York City. **Underwriter**—Morgan Stanley & Co., New York City (managing).

• General Supermarkets, Inc.
Jan. 17, 1961 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To be used as working capital to expand the number of supermarkets. **Office**—200 Main Ave., Passaic, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., Inc., New York City (managing). **Offering**—Expected sometime in March.

Genie Petroleum, Inc.
Nov. 10, 1960 filed 838,718 shares of common stock. **Price**—$1 per share. **Business**—Development of oil properties. **Proceeds**—For general corporate purposes. **Office**—5245 W. Irving Park Road, Chicago, Ill. **Underwriter**—The issuer intends to become a licensed broker-dealer in the states in which this offering is to be made, and to offer 338,718 of the shares through its officers and employees. The remaining 500,000 shares will be offered through other licensed broker-dealers on a "best efforts" basis.

• Geochron Laboratories, Inc. (2/16)
Nov. 29, 1960 filed 150,000 shares of common stock. Also filed were 30,000 common shares underlying 6% convertible notes and 60,000 warrants to purchase a like number of common shares. **Price**—To be supplied by amendment. **Business**—The operation of a laboratory at Cambridge, Mass., to furnish on a commercial basis, determinations of the age of rock and mineral samples. **Proceeds** — For construction, equipment, and working capital. **Office** — 24 Blackstone St., Cambridge, Mass. **Underwriter**—Globus, Inc. and Ross, Lyon & Co., both of New York City.

• Gold Medal Packing Corp.
June 17, 1960 filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialists. It also sells certain dairy products. **Underwriter**—Capital Investment Co., Newark, N. J. **Offering**—Expected sometime in February.

Golden Crest Records, Inc. (2/20-24)
Dec. 16, 1960 filed 85,000 shares of 10c par class A common stock. **Price—$3 per share. Proceeds**—The firm will use the proceeds of its first public offering for working capital and general corporate purposes. **Office**—Huntington, L. I., N. Y. **Underwriters**—Dean Samitas & Co., Inc., 111 Broadway, New York City (managing); Valley Forge Securities Co., Inc., Philadelphia, Pa., and Nassau Securities Service, New York City.

Grayco Credit Corp.
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville, Tenn.

Grayway Precision, Inc. (2/20-24)
Dec. 23, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of precision instruments. **Proceeds** —For general corporate purposes. **Office**—121 Centre Avenue, Secaucus, N. J. **Underwriters**—Harrison & Co., Philadelphia, Pa. and Marron, Sloss & Co., Inc., New York, N. Y.

Greenfield Real Estate Investment Trust (2/27-3/3)
Dec. 21, 1960, filed 500,000 shares of beneficial interest. **Price**—To be supplied by amendment. **Business** — The company was organized on Dec. 20, 1960 to provide investors with an interest in diversified income-producing properties consisting principally of real estate interests. **Proceeds**—For investment. **Office** — Bankers Securities Bldg., Philadelphia, Pa. **Underwriter** — Drexel & Co., Philadelphia (managing).

Guild Musical Instrument Corp.
Oct. 25, 1960 filed 110,000 shares of common stock. **Price** —$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City. **Offering**—Expected in mid-February.

• Gulf Guaranty Land & Title Co. (2/15)
Nov. 29, 1960 filed $750,000 of 7% convertible subordinated debentures due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of $100 of debentures and 20 shares of common stock. **Price**—$200 per unit. **Business** — The development of a planned community in Cape Coral, Fla. **Proceeds**—To reduce indebtedness, repay a mortgage, construction, and general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Street & Co., New York City.

• Honey Dew Food Stores, Inc.
Jan. 27, 1961 (letter of notification) 116,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — Capital Investment Co., Newark, N. J. **Offering**—Expected in early March.

Howell Instruments Inc.
Oct. 4, 1960 filed 140,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Address** — Fort Worth, Texas. **Underwriters**—G. H. Walker & Co., New York, N. Y. and Dewar, Robertson & Pancoast, San Antonio, Tex. **Offering**—Indefinitely postponed.

• Hydro-Electronics Corp. (3/1)
Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The design and manufacture of precision measuring equipment, automation equipment and general precision fluid controls. **Proceeds** — For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter**—Lloyd Securities, New York, N. Y.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price** —$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Ilikon Corp. (2/27-3/3)
Dec. 23, 1960, filed 75,000 shares of common stock. **Price** —$5 per share. **Business**—The company was formed in June 1960, to undertake research and development in the field of "materials engineering and science." **Proceeds**—To carry on work on projects now in the laboratory stage and for general corporate purposes. **Office**—Natick, Mass. **Underwriter**—Myron A. Lomasney & Co., New York City.

• Income Planning Corp.
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J. **Offering**—Expected late February to early March.

• International Diode Corp. (3/1)
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—T. M. Kirsch Co., New York City.

• International Electronic Research Corp (2/10)
Dec. 1, 1960 filed 220,000 shares of common stock, of which 110,000 shares will be sold by the company and 110,000 shares for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—Produces a heat dissipating tube shield for electron tubes, precision AC instruments, and does subcontract work in the aircraft and rocket engine industry. **Proceeds**—To repay outstanding loans and increase working capital. **Office**—135 West Magnolia Blvd., Burbank, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. and New York City (managing).

• International Mosaic Corp.
Sept. 30, 1960 (letter of notification) 99,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter** —B. G. Harris & Co., Inc., New York, N. Y.

International Safflower Corp. (2/14-17)
Aug. 3, 1960 filed 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Invesco Collateral Corp. (2/27-3/3)
Dec. 8, 1960, filed $300,000 of 6% registered debentures, series due June 30, 1964; $300,000 of 6% registered debentures, series due June 30, 1965, and $300,000 of 6% registered debentures, series due June 30, 1966. **Price**—To be offered for sale in $5,000 units at $4,450 per unit for the 1964 debentures, at $4,315 per unit for the 1965 debentures and at $4,190 per unit for the 1966 debentures. **Business**—The purchasing, investing in and selling of real estate mortgages. However, the company may buy, invest in and sell other types of securities. **Office**—511 Fifth Ave., New York, N. Y. **Underwriter**—None. **Note**—This company is a wholly owned subsidiary of Investors Funding Corp.

• Israel Development Corp.
Nov. 21, 1960 filed $3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of $500, $1,000 and $5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None. **Offering**—Imminent.

Jefferson Lake Asbestos Corp. (2/15)
Jan. 9, 1961 filed $2,625,000 of 6½% series A subordinated sinking fund debentures due 1972 (with series A warrants to purchase 262,500 common shares), and 175,000 shares of common stock to be offered for public sale in units consisting of four common shares and a $60 debenture (with a warrant to purchase six common shares initially at $5 per share). **Price**—$80 per unit. **Business**—The production and sale of asbestos. **Proceeds** —For construction and working capital. **Office**—1408 Whitney Building, New Orleans, La. **Underwriter** — A. G. Edwards & Sons, St. Louis, Mo. (managing).

Jonker Business Machines, Inc. (2/20-24)
Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter** — Hodgdon & Co., Inc., Washington, D. C.

• Jouet, Inc. (2/15-17)
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par five cents). **Price** — $2 per share. **Business** — The manufacture of dolls, toys and similar items. **Proceeds**—For the purchase and installation of machinery and molds and for working capital. **Office** 346 Carroll Street, Brooklyn, N. Y. **Underwriter**—Edward H. Stern & Co., 32 Broadway, New York, N. Y.

• Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address** —Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y. **Offering**—Expected in early March.

Kavanau Corp.
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y. **Offering**—Expected in February.

Kings Electronics Co., Inc.
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

• Kleer-Vu Industries, Inc. (2/10-15)
Dec. 21, 1960, filed 115,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company, formerly American Kleer-Vu Plastics, Inc., is engaged primarily in the business of manufacturing acetate and polyester transparent accessories and related items. **Proceeds**—To retire a loan, purchase additional equipment, enlarge plant facilities, hire more staff engineers, and provide additional working capital. **Office**—76 Madison Ave., New York City. **Underwriters**—Paul Eisenberg Co., and Godfrey, Hamilton, Magnus & Co., Inc., both of New York City (managing).

(S.) Klein Department Stores, Inc.
Jan. 23, 1961 filed 130,000 shares of common stock, of which 72,000 shares are to be offered directly to five persons at the initial offering price and 58,000 shares are to be offered for public sale at a price related to the current market for outstanding shares at the time of the offering. **Business**—The company operates four department stores in the New York City area. **Proceeds** — To purchase from the Prudential Insurance Co. of America, $1,350,000 of the company's 4½% notes due Sept. 1, 1969. The balance of the proceeds will be added to working capital. **Underwriter**—Emanuel, Deetjen & Co., New York City. **Offering**—Expected in mid-March.

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

Kurz & Root Co.
Dec. 30, 1960 (letter of notification) 66,500 shares of common stock (par $1). **Price**—$4.50 per share. **Proceeds** — For general corporate purposes. **Office** — 232 East North Island Street, Appleton, Wis. **Underwriter**—Milwaukee Co., Milwaukee, Wis.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds** —For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter** —International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

Lafayette Radio Electronics Corp.
Jan. 27, 1961 filed $2,500,000 of convertible subordinated debentures due 1976 to be offered for public sale by the company, and 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged in the business of distributing an extensive line of electronic parts and equipment and high fidelity sound components, and in the engineering, designing, assembling and distributing of electronic equipment in kit and wired form. **Proceeds**—For the repayment of loans, for new equipment and for working capital. **Office** — 165-08 Liberty Avenue, Jamaica, N. Y. **Underwriters**—C. E. Unterberg, Towbin Co., New York City.

• Lake Arrowhead Development Co.
Jan. 10, 1961 filed 300,000 shares of common stock. **Price** —$10 per share. **Business** — Managing and developing the Arrowhead property, which is located in the San Bernadino Mountains. **Proceeds**—To reduce indebtedness, with the balance for general corporate purposes, including working capital. **Office** — Lake Arrowhead, Calif. **Underwriters** — Van Alstyne, Noel & Co., New York City (managing) and Sutro & Co., San Francisco. **Offering**—Expected in early March.

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Leaseway Transportation Corp. (3/8)
Jan. 11, 1961 filed 150,000 shares of common stock, of which 75,000 shares are to be offered for the account of the issuing company and the remaining 75,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company was formed last November, and has gained or will gain control of 81 corporations. The company will lease trucks and other commercial vehicles on a long-term basis, and will engage in the intrastate operation of trucks as a local contract carrier. **Proceeds**—For working capital, which may be used for acquisitions or to enhance the issuer's borrowing power. **Office** — 11700 Shaker Blvd., Cleveland, O. **Underwriter**—Hayden, Stone & Co., New York City (managing).

• Leasing Credit Corp.
Nov. 29, 1960 filed 200,000 shares of class A stock and 200,000 warrants to be offered in units of one share and one warrant. **Price**—$4 per unit. **Business**—The company plans to engage in business of advancing funds to finance

Continued on page 34

Continued from page 33

accounts receivable, inventories and purchase of equipment. **Proceeds**—For working capital. **Office**—440 West 34th Street, New York City. **Underwriter**—Edward Lewis & Co., Inc., New York (managing). **Offering**—Imminent.

Lee Communications Inc.
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture, research, sale and distribution of communications equipment and related products. **Proceeds**—For payment of bank loans; new equipment; advertising and promotion; engineering research and for working capital. **Office**—470 Park Ave., S., New York, N. Y. **Underwriter**—H. B. Crandall Co., New York, N. Y.

★ Le-Wood Homes, Inc.
Jan. 19, 1961 (letter of notification) 100,000 shares of common stock (par 50 cents) and 100,000 of 9% convertible debentures due March 1, 1971 to be offered in units of 100 shares of common stock and 1-$100 of debentures. **Price**—Of stock, $2 per share; of debentures, $300 per unit. **Proceeds**—For working capital. **Office**—7001 W. Broad St., Richmond, Va. **Underwriter**—Bellamah, Neuhauser & Barrett, Washington, D. C.

• Lifetime Pools Equipment Corp.
July 1, 1960, filed 175,000 shares of common stock. **Price**—$3.25 per share. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriters** — Pacific Coast Securities Co., San Francisco, Calif. and Grant, Fontaine & Co., Oakland. Calif. **Note**—Statement effective Nov. 23. **Offering**—Expected in late February.

★ Lockwood Grader Corp.
Feb. 2, 1961 filed $500,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 15,000 shares of class A common stock), and 30,000 shares of class A common stock. **Price**—To be filed by amendment. **Business**—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. **Proceeds**—For working capital. **Office**—Gering, Nebr. **Underwriter**—First Trust Co. of Lincoln, Nebr.

Loral Electronics Corp.
Jan. 19, 1961 filed 9,450 outstanding common shares. **Price**—At the prevailing market price on the American Stock Exchange or in the over-the-counter market at the time of the sale. **Business**—The company is engaged in the research, development and production of electronic equipment for military use, and manufactures and sells wire products, electro-mechanical relays and certain metal products. **Proceeds**—To the selling stockholders. **Office**—825 Bronx River Avenue, New York City. **Underwriter**—None.

M. B. C. Nome Co.
Dec. 19, 1960 (letter of notification) 18,000 shares of convertible preferred stock. **Price** — At par ($5.75 per share). **Proceeds**—For working capital and expansion. **Office**—61 Renato Court, Redwood City, Calif. **Underwriter**—C. R. Mong & Associates, Menlo Park, Calif.

• Management Assistance Inc. (2/20-24)
Dec. 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Consulting services and installation of business machines. **Proceeds** — For general corporate purposes. **Office**—40 Exchange Place, New York 5, N. Y. **Underwriter**—Federman, Stonehill & Co., New York, N. Y.

• Mansfield Industries Inc. (3/27)
Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture of motion picture projectors and related equipment. **Proceeds** — For general corporate purposes, including working capital. **Office**—1227 West Loyola Ave., Chicago, Ill. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

Marley Co. (3/8)
Jan. 25, 1961 filed 100,996 shares of common stock ($2 par), of which 75,000 shares are to be offered for public sale and 25,996, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture, sale and maintenance of water cooling towers, and the manufacture and sale of air cooled refrigerant condensers, marketed under the trade name "DriCooler." **Office**—222 West Gregory Blvd., Kansas City, Mo. **Underwriter**—White, Weld & Co., New York City (managing).

Marmac Industries, Inc.
Dec. 22, 1960, filed 108,000 shares of common stock. **Price**—$4.50 per share. **Business**—The manufacture and sale of wood cabinets. **Proceeds**—For general business purposes. **Office**—Wenonah, N. J. **Underwriter**—Metropolitan Securities, Inc., Philadelphia (managing). **Offering**—Expected in February.

Medco, Inc.
Dec. 19, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To open new licensed departments in 1961. **Office**—211 Altman Building, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

• Mensh Investment & Development Associates, Inc.
Nov. 17, 1960, filed (1) $1,100,250 of 8% convertible subordinated debentures, due Sept. 1, 1970, and 36,675 shares of capital stock (par $1) to be offered in units of $750 of debentures and 25 shares of stock; (2) $969,000 of debentures and 32,300 shares of stock to be offered for subscription by stockholders and (3) approximately $142,860 of 8% debentures due Sept. 1, 1970 and not to exceed 5,000 shares of stock to be offered in exchange for the 6% debentures, due March, 1961, of its subsidiary, Mentor Investments, Inc. **Price**—(1) $1,100 per unit; (2) 100% per debenture and $10 per share of stock. **Business**—The principal assets of the company are an office building at 1910 K St., N. W., Washington, D. C. **Proceeds**—To retire certain obligations; make improvements on property; retire debentures due 1961, and to construct or acquire income producing properties. **Office** — 1625 Eye St., N. W., Washington, D. C. **Underwriter**—None.

• Mercury Electronics Corp. (2/27-3/3)
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par five cents). **Price** — $3 per share. **Business**—Manufacturers of testing equipment. **Proceeds**—For general corporate purposes. **Address**—Mineola, L. I., N. Y. **Underwriter**—S. Schramm & Co. Inc., New York City.

Mesabi Iron Co.
Jan. 10, 1961 filed 180,000 shares of capital stock, to be offered for subscription by the company's stockholders. **Price**—To be supplied by amendment. **Proceeds**—To establish a reserve for 1960 tax payments. **Office** — 452 Fifth Ave., New York City. **Underwriter**—None. **Note**—Feb. 1 it was reported that the company is awaiting a tax ruling, subsequent to which a decision will be made as to whether or not the offering will be made.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C. **Offering** — Expected sometime in March.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

• Milo Electronics Corp. (2/20-24)
Dec. 27, 1960 filed 150,000 shares of common stock. **Price**—$5 per share. **Business**—The company is a wholesaler and distributor of electronic equipment. **Proceeds**—For debt reduction, inventory and general corporate purposes. **Office**—530 Canal Street, New York City. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

Mineral Concentrates & Chemical Co., Inc.
Nov. 10, 1960 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—Production of beryllium oxide. **Proceeds** — To pay two corporate notes; plant improvements; research and experimentation with flotation process; and working capital. **Office**—1430 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

• Minitone Electronics, Inc. (3/1)
Jan. 11, 1961 filed 249,333⅓ shares of common stock, of which 129,000 will be publicly offered. **Price**—$3 per share. **Business**—The firm was organized last March for the purpose of making and selling small DC motors and certain consumer products using such motors. **Proceeds**—For debt reduction and general corporate purposes, including working capital. **Office**—55 W. 13th St., New York City. **Underwriter**—None.

Mobile Credit Corp.
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

• Model Finance Service, Inc. (2/14-17)
May 26 filed 100,000 shares of second cumulative preferred stock—65¢ convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

Modern Furniture, Inc.
Jan. 12, 1961 (letter of notification) 300,000 shares of class A common stock. **Price** — At par ($1 per share). **Proceeds**—To purchase furniture and for working capital. **Office**—First National Bank Building, Denver, Colo. **Underwriter** — Equity General Investment Corp., First National Bank Bldg., Denver, Colo.

Modern Materials Corp.
Jan. 4, 1961 filed 150,000 shares of common stock, of which 50,000 will be offered for sale by the company and the remaining 100,000, being outstanding stock, by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and distribution of aluminum and asphalt siding and related accessories. **Proceeds** — For the repayment of loans and for general corporate purposes. **Office**—7018 South Street, Detroit, Mich. **Underwriter**—Smith, Hague & Co., Detroit (managing).

• Mohawk Insurance Co. (2/23)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

• Monarch Electronics International, Inc.
Oct. 31, 1960 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif. **Offering**—Expected in late February.

• Mortgage Guaranty Insurance Corp. (2/14-17)
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State.

★ Mother's Cookie Co.
Feb. 6, 1961 filed 135,000 outstanding shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of packaged cookies. **Proceeds** — To the selling stockholder. **Office** — 2287 Ralph Avenue, Louisville, Ky. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

• Municipal Investment Trust Fund, Series A (3/2)
Sept. 1, 1960 filed $20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of states, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City.

• National Airlines, Inc.
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Expected in March.

• National Equipment Rental, Ltd.
Dec. 20, 1960 filed 114,000 shares of common stock being offered for subscription by common stockholders of record Feb. 6, on the basis of 6 new shares for each share then held, with rights to expire on Feb. 28. **Price** $10 per share. **Business**—The rental or leasing of equipment to business organizations, including production, processing, and packaging machinery. **Office**—1 Plainfield Ave., Elmont, N. Y. **Underwriter**—Burnham & Co., New York (managing).

National Food Marketers, Inc.
Jan. 27, 1961 filed 100,000 shares of common stock. **Price** $4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City. **Offering**—Expected sometime in April.

National Western Insurance & Growth Fund, Inc.
Jan. 27, 1961 filed 111,000 shares of common stock, of which 11,000 will first be offered to not more than 25 persons and the remaining 100,000 will be offered for public sale. **Price** — $9.15 per share (for the 11,000 shares), and $10 per share (for the 100,000 shares). **Business**—The company was organized under Delaware law in August 1960 to invest in companies believed to have growth possibilities, especially in the life insurance field. **Proceeds**—For investment. **Office**—737 Grant St., Denver, Colo. **Distributor** — National Western Management Corp., Denver, Colo.

Navajo Freight Lines, Inc.
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly). **Offering**—Indefinitely postponed.

New Western Underwriting Corp.
Oct. 25, 1960 filed $2,000,000 of 15-year 6% subordinated convertible debentures. **Business** — The company which was organized in August, 1959, is developing, through subsidiaries, a dealer-recourse finance business and a life insurance business. **Proceeds**—For expansion. **Price**—At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North Billings, Mont.

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

● Northfield Precision Instrument Corp.
Dec. 27, 1960 (letter of notification) 24,428 shares of common stock (par 10 cents). **Price**—At-the-market (not more than $2 per share). **Business** — Manufacturers of precision instruments in electronic, aircraft and missile industries. **Proceeds** — To go to underwriter. **Office**—4400 Austin Blvd., Island Park, L. I., N. Y. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y.

● Nytronics, Inc.
Jan. 27, 1961 filed 100,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The company is engaged in the development, design, production and sale of electronic components for use in communications equipment, missiles, commercial computers, servos, commercial radio and television, data-handling, navigational, and industrial control equipment. **Proceeds**—For expansion, new equipment, and working capital. **Office**—550 Springfield Ave., Berkeley Heights, N. J. **Underwriter**—Norton, Fox & Co., Inc., New York City (managing). **Offering**—Expected in late March.

★ Ohio-Franklin Fund, Inc.
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

P. & C. Food Markets, Inc.
Dec. 23, 1960 filed 40,000 shares of common stock of which 32,000 will be offered for sale to public and 8,000 to employees. **Price**—$12.50 per share (to public). **Business**—The operation of a chain of 46 retail self-service food and grocery supermarkets in central New York State. **Proceeds**—For inventories for five new stores and for general corporate purposes. **Office** — Geddes, New York. **Underwriter**—First Albany Corp., Albany, New York (managing).

● Palm Developers Limited (2/27-3/3)
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

● Palomar Mortgage Co. (2/14-17)
Dec. 15, 1960 filed $1,100,000 of subordinated convertible debentures, due 1975. **Price** — At 100% of principal amount. **Business**—The obtaining, arranging and servicing of real estate loans. **Office**—5th & University Aves., San Diego, Calif. **Proceeds** — To retire bank loans and for working capital. **Underwriter** — J. A. Hogle & Co., Salt Lake City (managing).

Pantex Manufacturing Corp.
Dec. 27, 1960 filed 513,299 shares of capital stock, of which 307,222 shares are to be offered for the account of the issuing company and 206,077 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The stock being offered for the company is a rights offering; one new share will be offered for each three capital shares held. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of 200,000 shares of Tel-A-Sign, Inc. for $450,000, said shares to be distributed as a dividend to shareholders, with the balance for general corporate purposes, including working capital. **Office**—Central Falls, R. I. **Underwriter**—None.

● Patrician Paper Co., Inc. (2/15)
Oct. 14, 1960 filed 190,000 shares of common stock (par 10c). **Price**—$6 per share. **Business**—The company plans to manufacture facial and toilet tissues upon the completion of the financing. **Proceeds**—For acquisition of property, to acquire machinery and equipment, and for repayment of certain loans. **Office**—485 Lexington Ave., New York, N. Y. **Underwriters** — Hill, Darlington & Grimm and J. R. Williston & Beane, both of New York City.

Pearce-Simpson, Inc.
Dec. 30, 1960 filed $1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business**—The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

★ Pecos Land & Development Co., Inc.
Jan. 31, 1961 filed 4,000,000 shares of common stock, of which 500,000 are to be offered for public sale by officers of the company at $1 per share; 1,897,661 shares are to be exchanged for various assets and businesses, and may be offered for sale by the holders; and 914,574 shares may be issued by the company from time to time in the acquisition of additional properties. **Business**—The acquiring, holding, developing and selling of land, and oil and gas and mining properties, all located principally in the Southwestern and Rocky Mountain regions of the United States. **Proceeds** — For general corporate purposes. **Office**—207 Shelby St., Santa Fe, New Mexico. **Underwriter**—None.

Personal Property Leasing Co.
Jan. 24, 1961 filed 150,000 shares of capital stock. **Price**—$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds** — For additional working capital. **Office** — 6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing). **Offering**—Expected in early Mar.

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

Photo Service, Inc. (2/23)
Dec. 30, 1960 filed 162,500 shares of common stock of which 125,000 shares will be offered for public sale by the company and the remaining 37,500, being outstanding, by the selling stockholder. **Price**—To be supplied by amendment. **Business**—The processing of photographic film, the wholesale distribution of photographic equipment and the operation of three retail camera shops in the Chicago area. **Proceeds**—For construction and new equipment, repayment of debt, purchase of stock or assets of other firms in the photo-finishing business and for general corporate purposes. **Office** — 220 Graceland Ave., Des Plaines, Ill. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. (managing).

Polychrome Corp.
Dec. 29, 1960 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of offset printing supplies and mimeograph stencils. **Proceeds** — For new facilities and new products and for working capital. **Office**—2 Ashburton Ave., Yonkers, N. Y. **Underwriter**—Westheimer & Co., Cincinnati (managing). **Offering**—Expected in late Mar.

Popell (L. F.) Co.
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

Porce-Cote Research & Development Corp.
Nov. 18, 1960 (letter of notification) 50,000 shares of class A stock (par 10 cents). **Price**—$5 per share. **Business**—Research and development of chemical products. **Proceeds**—For general corporate purposes. **Office**—336 Uniondale Ave., Uniondale, N. Y. **Underwriter**—Suburban Investors Corp., Uniondale, N. Y.

● Presidential Realty Corp.
Jan. 30, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing). **Offering** — Expected in mid-March.

● Progress Webster Electronics Corp.
Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Expected in late March to early April.

● Publishers Company, Inc.
Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing). **Offering**—Expected sometime in April.

● Puget Sound Power & Light Co. (2/15-3/6)
Jan. 13, 1961 filed 326,682 common shares which the company plans to offer to common stockholders on the basis of one new share for each 10 shares held of record Feb. 15. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Office**—1400 Washington Building, Seattle, Wash. **Underwriters**—Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City (managing).

● Puget Sound Power & Light Co. (2/16)
Jan. 13, 1961 filed $15,000 of first mortgage bonds, series due 1991. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Office**—1400 Washington Building, Seattle, Wash. **Underwriters**—Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

● Radar Measurements Corp. (2/27-3/3)
Jan. 19, 1961 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office** — 190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y. **Note**—This is a refiling of a letter that was originally filed on Sept. 28, 1960.

● Rajac Self-Service, Inc. (2/14-17)
Nov. 15, 1960 filed 154,375 shares of common stock (10c par). **Price**—$3 per share. **Proceeds**—$30,000 will be used to pay an outstanding note, $87,500 will be used for the acquisition, constructing, and equipping of an additional plant, $22,500 will be used to cover the expenses of offering the stock, and the balance will be used to reduce indebtedness and purchase equipment. **Office**—Mt. Vernon, N. Y. **Underwriter**—The James Co., 369 Lexington Avenue, New York 17, N. Y.

Ram Electronics, Inc. (3/1)
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter** — Plymouth Securities Corp., New York, N. Y.

● Random House, Inc.
Jan. 27, 1961 filed 121,870 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are in the business of publishing and distributing a wide variety of books. **Proceeds**—For the selling stockholders. **Office**—457 Madison Ave., New York City. **Underwriter**—Allen & Co., New York City (managing). **Offering**—Expected in early March.

Real Estate Market Place, Inc.
Dec. 20, 1960, filed 50,000 shares of class A common stock, of which 12,903 shares will be exchanged for real property and the balance of 37,097 shares sold publicly, together with 50 shares of class B common stock. **Price**—$100 per share for each class. **Proceeds**—To pay costs and expenses incidental to the company's organization and operation. **Office**—1422 Sixth Ave., San Diego, Calif. **Underwriter**—None.

Realty Collateral Corp.
Dec. 12, 1960 filed $20,000,000 of collateral trust notes, series A, due 1981. **Price**—To be supplied by amendment. **Business** — The company was organized in September, 1960 to invest in real property mortgages insured under Title II of the National Housing Act. **Proceeds**—For general business purposes. **Office**—444 Madison Ave., New York, N. Y. **Underwriter**—None.

● Rego Insulated Wire Corp. (3/15)
Jan. 30, 1961 filed 200,000 shares of common stock, of which 180,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by the present holders thereof. **Price** — $4.50 per share. **Business**—The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, plastic toys and doll bodies; and has recently commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers. **Proceeds**—For the repayment of loans and for working capital. **Office**—830 Monroe Street, Hoboken, N. J. **Underwriter** — Russell & Saxe, Inc., New York City, (managing).

Renwell Electronics Corporation of Delaware (2/27-3/3)
Jan. 9, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all of the outstanding stock of Renwell Electronic Corp., a manufacturer of electronic assemblies and various other electronic components. **Proceeds** — For new equipment, plant expansion and working capital. **Office**—129 South State Street, Dover, Del. **Underwriter**—William David & Motti, Inc., New York City.

Richards Aircraft Supply Co.
Dec. 29, 1960 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To retire a bank loan and an equipment loan, increase inventory, and for working capital. **Office**—111 S. W. 33rd Street, Fort Landerdale, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y. **Offering**—Expected in April.

Richmond-Eureka Mining Co.
Jan. 24, 1961 filed 103,133 shares of capital stock, to be offered to stockholders for subscription on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The operation of mining properties near Eureka, Nev. **Proceeds**—To repay loans from U. S. Smelting, Refining & Mining Co. **Office**—75 Federal St., Boston, Mass. **Underwriter**—None.

Rixon Electronics, Inc. (2/14-17)
Dec. 30, 1960 filed 115,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is a custom electronics engineering and develop-

Continued on page 36

Continued from page 35

ment concern engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentations, data processing and other electronic systems. **Proceeds**—To repay indebtedness and for working capital. **Office** — 2414 Reedie Drive, Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

● Roblin-Seaway Industries, Inc. (2/20-24)
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price** —$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and nonferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

Rocket Research Corp.
Jan. 19, 1961 filed 300,000 shares of common stock. **Price** —$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn.

Roulette Records, Inc.
Aug. 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The manufacture and distribution of long-playing records. **Proceeds**—For debt retirement and general corporate purposes. **Office** — 1631 Broadway, New York City. **Underwriter**—A. T. Brod & Co., New York, N. Y.

Schluderberg-Kurdle Co., Inc.
Jan. 25, 1961 filed 20,000 shares of non-voting common stock. **Price**—To be supplied by amendment. **Business**—Meat packing and related operations. **Proceeds** — For plant modernization and working capital. **Office**—3800 East Baltimore St., Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing). **Offering** —Expected in early March.

● Screen Gems, Inc.
Dec. 8, 1960 filed 300,000 shares of common stock ($1 par) being offered for subscription by common stockholders of record Feb. 9 of Columbia Pictures Corp., holder of all outstanding shares on theb asis of one share of Screen Gems for each five shares of Columbia Pictures, and for subscription on the same basis by participating employees under the Columbia Pictures Corp. Employees' Stock Purchase Plan, with rights to expire on Feb. 23. **Price**—$9 per share. **Business**—The production and distribution of television feature films, shorts and commercials. **Proceeds**—For general business purposes and the making of payments to Columbia Pictures as required under the operating agreement. **Office**—711 Fifth Avenue, New York, N. Y. **Underwriting** — Hemphill, Noyes & Co., and Hallgarten & Co., both of New York City.

Sealander Inc.
Dec. 19, 1960 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—To start operations in manufacturing and selling boats. **Office**—2228 McElderry Street, Baltimore 5, Md. **Underwriter**—Robinette & Co., Inc., Baltimore, Md.

Search Investments Corp. (3/1)
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price** —$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

● Seeman Brothers, Inc. (2/10)
Dec. 21, 1960 filed 98,150 shares of 5% cumulative convertible preferred stock (par $20) and a like amount of underlying common shares. **Price**—To be supplied by amendment. **Business** — The wholesale distribution of grocery products and the processing and sale of frozen fruits, vegetables and prepared foods. **Office**—40 West 225th St., New York, N. Y. **Underwriters** — Gregory & Sons, New York City and Straus, Blosser & McDowell, Chicago (managing).

Shareholder Properties, Inc.
Dec. 2, 1960 (letter of notification) 40,000 shares of class A common stock (par $1). **Price**—$7.50 per share. **Proceeds**—For working capital. **Office**—2540 Huntington Dr., San Marino, Calif. **Underwriter** — Blalack & Co., San Marino, Calif.

● Shepherd Electronic Industries, Inc.
Jan. 18, 1961 (letter of notification) 78,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—9821 Foster Avenue, Brooklyn, N. Y. **Underwriter** — D. Klapper Associates, Inc., New York, N. Y. **Offering** — Expected in late February.

● Shinn Industries Inc.
Nov. 29, 1960 filed 150,000 shares of common stock. **Price** —$6 per share. **Business**—The manufacture, assembly and sale of aircraft and missile components and the construction of industrial and research facilities. **Proceeds** —To repay a bank loan, for expansion and inventory, and for working capital. **Office**—Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Imminent.

● Shore-Calnevar, Inc. (2/20)
Nov. 25, 1960 filed 200,000 common shares, of which 100,000 shares will be offered for public sale by the company and 100,000, being outstanding shares, by present stockholders. **Price**—To be supplied by amendment. **Business**—Designs and produces automobile hub caps, washroom dispensers and other janitorial supplies. **Proceeds**—To repay outstanding bank loans and to increase inventories. **Office** — 7701 East Compton Boulevard, Paramount, Calif. **Underwriter** — H. Hentz & Co. and Federman, Stonehill & Co., both of New York City (managing).

● Shoup Voting Machine Corp.
Jan. 27, 1961 filed 110,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company is engaged in the assembly, manufacture, sale and repair of voting machines and toll collection devices and auxiliary equipment. **Proceeds** — For the reduction of debt and for working capital. **Office**—41 East 42nd St., New York City. **Underwriter** — Burnham & Co., New York City (managing). **Offering** — Expected in mid-March.

● Simplex Wire & Cable Co. (2/20-24)
Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Solite Products Corp. (2/20-24)
Dec. 8, 1960, filed 750 units, consisting in the aggregate of $225,000 principal amount of 7% debentures due February, 1968, and 75,000 shares of common stock to be offered in units of $100 of debentures and 100 common shares. **Price** — $300 per unit. **Business** — The design, manufacture and sale of advertising signs, displays and miscellaneous plastic items. **Proceeds**—For general business purposes, including the purchase of tools, dies and equipment; for research, sales and inventory and for additional working capital. **Office**—375 East 163rd St., New York, N. Y. **Underwriter**—William David & Motti, Inc., New York City.

● Southern Co. (2/14)
Jan. 6, 1961 filed 750,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Offices**—1330 West Peachtree Street, N. W., Atlanta, Ga., and 600 No. 18th Street, Birmingham, Ala. **Underwriter** —To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc. and Equitable Securities Corp. (jointly); First Boston Corp., and Lehman Brothers (jointly); Morgan Stanley & Co.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—To be received at the office of Morgan Guaranty Trust Co., 60 Liberty Street, New York 15, N. Y. by 3:45 p.m. EST on Feb. 14. **Information Meeting**—Scheduled at the N. Y. State Chamber of Commerce, 65 Liberty Street, New York City, at 3 p.m. (EST) on Feb. 10.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

★ Stackhouse Athletic Equipment, Inc.
Jan. 31, 1961 (letter of notification) 23,980 shares of common stock. **Price**—At par ($10 per share). **Proceeds** —For expansion, purchase of raw materials, machinery and working capital. **Office** — 100 E. Memorial Road, Perry, Okla. **Underwriter**—None.

● Stancil-Hoffman Corp.
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price** —$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. **Offering**—Expected in late February.

Standard & Shell Homes Corp.
Nov. 1, 1960 filed 210,000 shares of common stock and $350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants to be offered in 35,000 units consisting of six common shares, a $10 debenture, and two warrants. **Price** — $17.50 per unit. **Proceeds** — For construction, mortgage funds, and working capital. **Office**—Miami Beach, Fla. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York City, and Roman & Johnson, of Ft. Lauderdale, Fla. **Offering**—Expected sometime in February.

● Steel Crest Homes, Inc. (2/14-17)
Nov. 22, 1960 filed 180,000 shares of common stock; $450,000 of 8% subordinated sinking fund debentures ($10 face amount), due Sept. 1, 1981; and 45,000 warrants exercisable at $15 for the purchase of two shares and one debenture (for which 90,000 underlying common shares and 45,000 underlying 8% debentures were also filed). The securities will be offered in units, each unit to consist of four shares of stock, one $10 face amount debenture and one warrant. **Price**—$18 per unit. **Proceeds**—For the financing of homes sold by the company and its subsidiary, and for working capital. **Office**—Center Square, Pa. **Underwriters**—Marron, Sloss & Co., Inc., New York City and Harrison & Co., Philadelphia, Pa.

Stephen Realty Investment Corp.
Jan. 16, 1961 filed 1,400,000 shares of beneficial interest, of which 1,000,000 shares will be publicly offered and 400,000 shares are to be exchanged for real estate ventures. **Price**—$5 per share. **Office** — 1930 Sherman St., Denver, Colo. **Underwriter** — Stephen Securities Corp., 710 American National Bank Bldg., Denver, Colo.

● Storer Broadcasting Co. (3/1)
Dec. 30, 1960 filed 263,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company owns and operates five television broadcasting stations, seven radio stations, six F.M. radio broadcasting stations and a daily newspaper. The company, through a subsidiary also owns a majority of the voting stock in The Standard Tube Co., Detroit, Mich, manufacturer of steel tubing and other tubular products. **Proceeds**—To the selling stockholders. **Underwriter** —Reynolds & Co., Inc., New York City (managing).

Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—To be supplied by amendment.

● Sunset Color Laboratories, Inc. (3/6-10)
Jan. 30, 1961 (letter of notification) filed 80,000 shares of common stock (par 1c). **Price**—$2.25 per share. **Business**—Photo finishing and photographic accessories and supplies. **Proceeds** — For general corporate purposes. **Office**—83 Rockaway Ave., Rockville Center, N. Y. **Underwriter**—Jacey Securities Co., 82 Beaver St., New York City, Professional Executive Planning Inc., Long Beach, N. Y. and Sunset Securities, Inc., Rego Park, N. Y.

● Super-Market Distributors, Inc. (2/14-16)
Dec. 1, 1960 filed 200,000 outstanding shares of common stock. **Price**—$5 per share. **Business**—The wholesale distribution of non-food consumer items to supermarkets. **Proceeds**—To selling stockholders. **Office**—39 Old Colony Ave., Boston, Mass. **Underwriter**—Clayton Securities Corp., Boston, Mass.

Superstition Mountain Enterprises, Inc.
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter** —None.

Swiss Chalet, Inc. (3/6-10)
Jan. 4, 1961 filed 115,000 shares of 70¢ cumulative first preferred stock and 115,000 shares of common stock to be offered in units, each unit to consist of one share of preferred and one share of common. **Price**—$10 per unit. **Business**—Operates the Swiss Chalet Restaurant in San Juan, Puerto Rico. **Proceeds**—For the construction and furnishing of a seven-story hotel adjacent to the restaurant. **Office**—105 De Diego Avenue, San Juan, Puerto Rico. **Underwriters**—P. W. Brooks & Co., Inc., New York City and Compania Financiera de Inversiones, Inc., San Juan.

"Taro-Vit" Chemical Industries Ltd.
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

● Techmation Corp. (2/15)
Jan. 17, 1961 (letter of notification) 87,500 common shares (par one cent). **Price** — $2 per share. **Business**—The company designs and develops automation machinery through systems of "hoppers," "feeders," and other design innovations for the manufacture of industrial, cosmetic, toy, plastics and other products. The company proposes to adapt its oriented feeding devices to miniature and sub-miniature electronic components manufacture. **Proceeds**—To develop a proprietary line of automatic machinery products, for working capital, to fill orders, for oriented seeding and automation machinery, and for patent applications and the prosecution thereof. **Office**—19-79 Steinway St., Long Island City, New York. **Underwriter**—First Philadelphia Corp., New York City.

● Tech-Ohm Electronics, Inc.
Sept. 6, 1960 (letter of notification) 99,833 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 36-11 33rd Street, Long Island City, N. Y. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y. **Offering**—Imminent.

● TelAutograph Corp. (2/9)
Nov. 18, 1961 filed 187,000 shares of common stock (par value $1), being offered to common stockholders for subscription of record Feb. 9 on the basis of one new

share for each three shares then held, with rights to expire on Feb. 23. **Price**—To be set on Feb. 9 based on the market closing. **Proceeds**—For initial production expenses of a Telescriber compatible with an A. T. & T. analog subset; for initial production expenses of facsimile equipment to be made by its subsidiary Hogan Faximile Corp., and the balance for the reduction of indebtedness. **Office** — 8700 Bellanca Avenue, Los Angeles, Calif. **Underwriters**—Baird & Co., and Richard J. Buck & Co., both of New York City, and Chace, Whiteside & Winslow, Inc., Boston, Mass.

Tele-Graphic Electronics Corp.
Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Patent holding, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Ave., West Hempstead, N. Y. **Underwriter** — Lee Hollingsworth, 514 Hempstead Ave., West Hempstead, N. Y.

• Telephone & Electronics Corp. (2/20-24)
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, New York.

Telescript C.S.P., Inc. (2/14-17)
Dec. 23, 1960 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—The firm makes a prompting machine for television and an electronic tape editor. **Proceeds**—To expand plant and sales force, enter closed circuit television, repay a $20,000 loan, and for working capital. **Office**—155 West 72nd St., New York City. **Underwriter**—Robert A. Martin Associates, Inc., 680 Fifth Avenue, New York City.

• Tensor Electric Development Co., Inc. (2/20-24)
Jan. 5, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture and sale of electronic components and instruments. **Proceeds**—For general corporate purposes. **Office**—1873 Eastern Parkway, Brooklyn, N. Y. **Underwriters**—Dresner Co., Michael & Co. (managing), and Satnick & Co., Inc., all of New York City.

Thermo-Dynamics, Inc.
Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the issuing company are new and 30,089 shares, representing outstanding stock, are to be offered by two officers of the company. **Price**—$3.50 per share. **Business**—Formerly known as Agricultural Equipment Corp., this company distributes German made Stihl chain saws and Stihl "Go-Kart" gasoline engines; U. S. made tractor attachments and power saws; makes cryogenic gas reclamation and transferral systems, L-P gas thermo-shock weed control devices, portable furnaces, etc. **Proceeds**—For the repayment of debts, for expansion and for working capital. **Office**—1366 W. Oxford Avenue, Englewood, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

• Thermogas Co.
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is a distributor of propane and tanks and accessories for the storage and handling of propane gas. **Proceeds**—To repay loans, purchase additional distribution plants and for working capital. **Office**—4509 East 14th St., Des Moines, Iowa. **Underwriter**—A. C. Allyn & Co., Chicago (managing). **Offering**—Expected in mid-to-late March.

Thursby (Reed A.) & Co.
Dec. 19, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For building sites, installation and for working capital. **Office**—4030 Overlook Road, N. E., St. Petersburg, Fla. **Underwriter**—Dunne & Co. and R. James Foster & Co., Inc., New York, N. Y.

Time Finance Corp.
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price**—At 100% of principal amount. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. **Proceeds**—$96,560 to increase volume of accounts receivable financing; $24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

Tip Top Products Co. (2/15)
Oct. 4, 1960 filed 60,000 shares of class A common stock. **Price**—To be supplied by amendment. **Address**—Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and First Trust Co., of Lincoln, Lincoln, Neb.

Toledo Plaza Investment Trust (2/14-17)
Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. **Price**—$2,500 each. **Business** — The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. **Proceeds**—To purchase the above-mentioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

★ Torque Controls Corp.
Jan. 30, 1961 (letter of notification) 225,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—To repay loans, purchase additional machinery and for working capital. **Office**—829 E. Broadway, San Gabriel, Calif. **Underwriter**—Russell & Saxe, Inc., New York, N. Y.

★ Totts Pharmacal Corp.
Feb. 1, 1961 filed 125,000 shares of common stock. **Price**—$4 per share. **Business** — The company was organized under Delaware law in September 1960 to acquire the business and properties of Lucente Enterprises, Inc., which manufactures and distributes a dentifrice under the name of "Orbit Dental Cream" in a novel plastic container with primary appeal to the children's market. **Proceeds**—For new equipment, the repayment of loans and working capital. **Office** — 3757 Mahoning Avenue, Youngstown, O. **Underwriter** — International Services Corp., 7 Church St., Paterson, N. J.

Town Photolab, Inc. (2/10)
Nov. 30, 1960 filed 150,000 shares of common stock. **Price**—$4 per share. **Business** — The processing and sale of photographic film, supplies and equipment. **Proceeds**—For general business expenses. **Office** — 2240 Jerome Avenue, New York City. **Underwriter**—Michael G. Kletz & Co., New York City.

Tri-Continental Corp.
Feb. 1, 1961 filed $20,000,000 of series A debentures, due March 1, 1966. **Price**—To be supplied by amendment. **Business**—The issuer is a closed end investment company the shares of which are traded on the New York Stock Exchange. **Proceeds**—To pay debentures and a promissory note of the issuer, and debentures of Selected Industries Inc. **Office**—65 Broadway, New York City, **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

United Boatbuilders, Inc. (2/27-3/3)
Jan. 3, 1961, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Busineess**—Makes and sells fiberglas boats. **Proceeds**—To be added to working capital. **Office**—9th and Harris, Bellingham, Wash. **Underwriters**—Birr & Co., Inc., San Francisco and Marron, Sloss & Co., Inc., New York City.

• United International Fund Ltd.
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering**—Expected in early March.

• U. S. Mfg. & Galvanizing Corp. (2/27-3/3)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 15 William St., New York, N. Y.

United Telecontrol Electronics, Inc.
Dec. 8, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturing components designed for use in connection with telephone and telegraph communication equipment on a prime contract basis. **Proceeds** — For general corporate purposes, including working capital. **Office**—Monmouth County Airport, Wall Township, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York, New York.

★ Universal Silvers Co.
Jan. 30, 1961 (letter of notification) 75,000 shares of common stock (par 25 cents). **Price**—$4 per share. **Proceeds**—For mining expenses. **Office**—4234 Richmond Avenue, Houston, Texas. **Underwriter**—None.

Urban Development Corp.
Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter**—Union Securities Investment Co., Memphis, Tenn.

Van Dusen Aircraft Supplies, Inc.
Jan. 16, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion. **Office**—Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa. **Offering**—Expected in late February.

• Vector Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Plymouth Securities Corp., New York City has withdrawn as underwriter.

Visual Dynamics Corp.
Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—District Securities, 2520 L Street, N. W., Washington, D. C.

★ Washington Technological Associates, Inc.
Jan. 25, 1961 (letter of notification) 30,000 shares of common stock (no par) of which 3,000 shares are to be offered for subscription by stockholders and employees and 27,000 shares to the public. **Price**—To stockholders and employees, $8 per share; to the public, $10 per share. **Proceeds**—For purchase of equipment and working capital. **Office** — 979 Rollins Ave., Rockville, Md. **Underwriter**—None.

★ Weinschel Engineering Co., Inc.
Jan. 27, 1961 filed 50,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is engaged in research, and the development, engineering, production and sale of high quality precision microwave calibration and testing equipment. **Proceeds**—To repay loans and for working capital. **Office** — 10503 Metropolitan Ave., Kensington, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md.

West Texas Utilities Co. (2/15)
Jan. 16, 1961 this subsidiary of Central and South West Corp., filed $8,000,000 of first mortgage bonds, series F, due Feb. 1, 1991. **Proceeds**—To repay bank loans and for expansion. **Office** — 1062 North Third Street, Abilene, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Equitable Securities Corp.; Blyth & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly). **Bids**—Expected to be received on Feb. 15 at 10:30 a.m. (CST).

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Westminster Fund, Inc.
Oct. 14, 1960 filed 4,000,000 shares of capital stock. **Business**—This is a new mutual fund, and its intention is to offer holders of at least $25,000 worth of acceptable securities the opportunity of exchanging each $12.50 worth of such securities for one share in the Fund, which will receive a maximum commission of 4%. **Office**—Westminster at Parker, Elizabeth, N. J. **Investment Advisor**—Investors Management Co. **Dealer - Manager**—Kidder, Peabody & Co., New York City. **Offering**—Expected in early 1961.

Westmore, Inc. (2/14-17)
Dec. 1, 1960 (letter of notification) 150,000 shares of common stock (par 40 cents). **Price**—$2 per share. **Business**—Inventing, developing, producing and marketing of electronic test equipment. **Proceeds**—For production, research and development; for repayment of loans and for working capital. **Office**—Fanwood, N. J. **Underwriter**—Vincent, James & Co., Inc., 37 Wall St., New York, N. Y.

Whippany Paper Board Co., Inc. (2/20-24)
Dec. 28, 1960 filed 250,000 shares of common stock (par 10c). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of container liner board, corrugated board, chip board and box board. **Proceeds**—For plant conversion and working capital. **Office**—10 North Jefferson Road, Whippany, N. J. **Underwriter**—Val Alstyne, Noel & Co., New York City (managing).

Willer Color Television System, Inc.
Jan. 29, 1961 (letter of notification) 60,850 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

Wilson (Lee) Engineering Co., Inc.
Dec. 30, 1960 filed 67,500 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company produces equipment for treating flat rolled steel and wire in a variety of ways, including chemical change through gas alloying and physical change through thermal treating. **Proceeds**—For the selling stockholder. **Underwriter**—Prescott, Shepard & Co., Inc., Cleveland.

• Wings & Wheels Express, Inc. (2/14)
Dec. 9, 1960 filed 85,000 shares of common stock. **Price**—$3 per share. **Business**—Engaged in freight forwarding by air and terminal handling service at Chicago. **Proceeds**—For expansion, working capital, the financing of accounts receivable, and general corporate purposes. **Office**—Astoria Blvd., and 110th St., Flushing, L. I., N. Y. **Underwriters**—Globus, Inc. and Ross, Lyon & Co., Inc., both of New York City.

Winston-Muss Corp.
Jan. 30, 1961 filed $9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of $22.50 principal amount of debentures and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. **Proceeds**—For the acquisition and development of real estate properties. **Office**—22 West 48th St., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing).

• Wollard Aircraft Service Equipment, Inc. (2/20-24)
Dec. 14, 1960 filed 135,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of equipment used to service commercial and military aircraft. **Proceeds**—For a new plant and equipment, for moving expenses and the balance for working capital. **Office**—2963 N. W. 79th St., Miami, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Wometco Enterprises, Inc. (2/27-3/3)
Dec. 30, 1960 filed 100,000 shares of stock, consisting of 18,591 outstanding shares of class A common stock; 19,155 outstanding shares each of class B, series B, C and D common; and 23,944 outstanding shares of class B, series E common. **Proceeds** — For the selling stockholders. **Business**—Owns and operates television station WTVJ, Miami, Fla. and station WLOS-TV with its affiliates WLOS-AM and FM, Asheville, N. C. The company also owns and operates television station WFGA, Jack-

Continued on page 38

Continued from page 37

sonville, Fla., and it recently signed a contract for the acquisition of station KVOS-TV, Bellingham, Wash. It also operates a chain of 23 motion picture theatres, sells soft drinks and related items, owns a franchise to bottle and sell Pepsi-Cola in the Bahamas and holds a 91% interest in the Seaquarium at Miami, Fla. **Office**—306 North Miami Avenue, Miami, Fla. **Underwriters** — Lee Higginson Corp., New York and A. C. Allyn & Co., Inc., Chicago.

• WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address. **Note**—This statement was withdrawn on Feb. 7.

Wyle Laboratories (3/6-10)
Jan. 17, 1961 filed 110,000 shares of common stock, of which 100,000 shares will be offered for the account of the issuing company and 10,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder. **Price** — To be supplied by amendment. **Business** — This firm, which up to now has been privately held, believes it is the largest independent laboratory in America providing testing services for the missile-space-aircraft industry. **Proceeds** — For expansion, with the balance for working capital. **Office**—128 Maryland St., El Segundo, Calif. **Underwriters**—Kidder, Peabody & Co., New York City, and Mitchum, Jones & Templeton, Los Angeles (managing).

Yuscaran Mining Co.
May 6, 1960 filed 1,000,000 shares of com. stock. **Price**—$1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. On Jan. 5, 1961, the company reported that it is negotiating a merger with another company and that financing plans have been indefinitely postponed.

Zurn Industries, Inc.
Sept. 26, 1960 filed 200,000 shares of common stock ($1 par), of which 100,000 shares are to be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture of mechanical power transmission equipment, fluid control devices, building plumbing drainage products and research and development of a synchro-gear assembly for atomic submarines. **Proceeds**—For new equipment, the repayment of loans, and working capital. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Postponed.

Prospective Offerings

Advance Industries Corp.
Jan. 25, 1961 it was reported that a "Reg. A" filing covering 100,000 shares of the company's 10 cent par common stock is expected by mid-February. **Price** — $3 per share. **Business**—Manufacturer of furniture. **Proceeds**—For equipment and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—Allen, McFarland & Co., Washington, D. C.

Alabama Power Co. (3/23)
Jan. 3, 1961 it was reported that this subsidiary of the Southern Co., plans to sell $13,000,000 of 30-year first mortgage bonds and $8,000,000 of preferred stock (par $100). **Proceeds**—For expansion. **Office**—600 North 18th St., Birmingham 2, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders on bonds included Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Registration**—Expected about Feb. 13. **Bids**—Expected at 11 a.m. (EST) on March 23.

• Alamo Gas Supply Co.
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters** — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

★ Alberto Culver Co.
Feb. 8, 1961 it was reported that this company is considering additional financing, probably by sale of stock. **Business**—Manufactures and sells hair preparations. **Office** — Melrose, Ill. **Underwriter** — Shields & Co,. New York City.

★ All State Credit Corp.
Feb. 8, 1961 it was reported that this company plans to file an SEC registration statement shortly covering 200,000 shares of class A common stock. **Business**—A consumer sales finance company. **Office** — Merrick, L. I., N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York City.

American Investment Co.
Nov. 3, 1960, Donald L. Barnes, Jr., executive vice-president, announced that debt financing is expected in early 1961 in the form of about $6,000,000 of capital notes and $4,000,000 to $6,000,000 of subordinated notes. **Office**—St. Louis, Mo.

American Playlands Corp.
Dec. 21, 1960 it was reported that this company plans to refile in February a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis & Co., Inc., New York City.

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Approved Finance Inc.
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

• Arizona Public Service Co.
Feb. 8, 1961 it was reported that this company plans to issue about $38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co and The First Boston Corp.

Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities plans the issuance of approximately $12,000,000 of 30-year first mortgage bonds, some time in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

Baltimore Gas & Electric Co.
Oct. 3, 1960 it was reported that the utility expects to sell about $20,000,000 of additional securities, possibly bonds or preferred stock, sometime during the first half of 1961. **Office**—Lexington Building, Baltimore, Md. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly).

Bo-Craft Enterprises Inc.
Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 cent par common stock will be filed for this company. **Price**—$3 per share. **Business**—The company is engaged in the manufacture of parts for zippers. **Proceeds**—For expansion and general corporate purposes. **Office**—11-54 44th Drive, Long Island City, N. Y. **Underwriter**—Harwyn Securities, 1457 Broadway, New York City.

Brooklyn Union Gas Co.
Jan. 12, 1961 G. C. Griswold, Vice-President and Treasurer stated that company has not made definite financing plans but is considering an issue of $25,000,000 to $30,000,000 of mortgage bonds in late 1961. **Office**—176 Remsen St., Brooklyn 1, N. Y.

California Asbestos Corp.
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif. **Registration**—Indefinite.

California Electric Power Co.
Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

• California Oregon Power Co.
Feb. 7, 1961 it was reported that this company plans to issue about $7,000,000 of bonds and $5,000,000 of common stock in October. **Proceeds**—For the repayment of bank loans and for construction. **Office**—216 W. Main St., Medford, Ore. **Underwriters**—(Bonds) To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. (jointly); Shields & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co. (jointly); White, Weld & Co.; Halsey, Stuart & Co. Inc. The last sale of common on Oct. 8, 1957 was handled on a negotiated basis by Blyth & Co., Inc., and First Boston Corp.

• Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc. **Registration**—Expected in early March.

• Car Plan System, Inc.
Feb. 1, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Registration**—Expected during the week of Feb. 13. **Offering**—Expected in early March.

Casavan Industries
Feb. 1, 1961 it was reported by Mr. Casavena, President, that registration is expected of approximately $10,000,000 of common stock and $11,750,000 of 6% debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds** — For expansion. **Office** — 250 Vreeland Ave., Paterson, N. J. **Underwriter** — To be named. **Registration**—Expected in late February.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

★ Central Hudson Gas & Electric Co.
Feb. 2, 1961 it was reported that the company is considering the sale of $5,000,000 to $7,000,000 of preferred stock in the second quarter. **Proceeds**—For expansion. **Office**—South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Estabrook & Co. (jointly).

Charles Of The Ritz
Jan. 18, 1961 it was reported that this company plans a public offering of common stock. This will be a full filing, registered secondary. **Business**—Operates a chain of beauty salons. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., New York City (managing). **Registration**—Expected in early March.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc.
Feb. 1, 1961 it was reported that this company plans to sell about $30,000,000 of debentures in May or June and about $25,000,000 of debentures in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly).

Columbus & Southern Ohio Electric Co.
Sept. 22, 1960 it was reported the company will sell about $10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**

—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

● Community Public Service Co.
Feb. 6, 1961 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Offering**—Expected in May.

Consolidated Edison Co. of New York, Inc.
Jan. 27, 1961 it was reported that this company plans to sell about $75,000,000 of mortgage bonds in the fall and an additional $75,000,000 of preferred or common stock by year end. **Office**—4 Irving Place, New York City. **Underwriters**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. The last sale of common was made to stockholders on Sept. 13, 1929 through subscription rights. The last sale of preferred was made privately on or about Jan. 23 through Morgan, Stanley & Co., and First Boston Corp., New York City.

Consolidated Natural Gas Co.
Jan. 31, 1961 it was reported that this company expects to sell about $25,000,000 of debentures later in 1961. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly).

Continental Bank of Cleveland
Jan. 4, 1961 it was reported that this bank plans to offer publicly 16,000 common shares (par $10). **Price**—$26.50 per share. **Proceeds**—To increase capital. **Office**—2029 E. 14th St., Cleveland 15, Ohio. **Underwriters** — Joseph, Mellen & Miller, Inc., and Ball, Burge & Kraus, Cleveland (managing). **Offering**—Expected by mid-February.

Daffin Corp.
Jan. 20, 1961, it was reported that a registration is expected to be filed covering 150,000 outstanding shares of common stock (no par). **Price** — To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

Dakota Reinsurance Corp.
Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its $1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office** — P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

● Delaware Power & Light Co.
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Diversified Automated Sales Corp.
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

Elk Roofing Co.
Jan. 6, 1961 it was reported that this company plans a full filing of 135,000 shares of common stock. **Proceeds**—To reduce long-term debt. **Office** — Stephens, Ark. **Underwriter**—S. D. Fuller & Co.

Epoderm Inc.
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing). **Registration**—Expected in mid-February.

Exploit Films, Inc.
Feb. 1, 1961 it was reported that the company will file a letter of notification consisting of 100,000 shares of common stock at $5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th St., New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about Feb. 15.

Fawcett Publications, Inc.
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

First Continental Real Estate Trust
Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

★ Flintkote Co.
Feb. 7, 1961 it was reported that stockholders are to vote March 22 on authorizing the company to increase its funded debt to $50,000,000. If approved, the company plans to borrow $30,000,000 this year, possibly through sale of debentures. **Business**—The company is engaged directly or through subsidiaries in manufacturing, mining, distributing, and selling various products for construction, industrial, and consumer use. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriter**—To be named. The last sale of debentures on April 3, 1957 was handled by Lehman Bros., New York and associates.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit, Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering. **Office**—577 East 156th Street, Bronx, N. Y.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To Be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

★ General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan Street, Tampa, Fla. **Underwriters** — Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis both of New York City.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City. **Registration**—Expected in late February or early March.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

● Geriatrics Pharmaceutical Corp.
Jan. 11, 1961 it was reported that this firm is planning a letter of notification covering 50,000 shares of 10¢ par common stock. **Proceeds**—For general corporate purposes, including the hiring of additional detail men. **Office**—45 Commonwealth Boulevard, Bellerose, L. I., N. Y. **Underwriter**—T. M. Kirsch & Co., 52 Wall Street, New York City. **Registration**—Expected by mid-February.

● Goshen Farms Inc.
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected in early March.

Great Northern Ry. (2/28)
Jan. 17, 1961 it was reported that this company plans to sell $5,100,000 of 1-15 year equipment trust certificates. **Office**—39 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders; Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc., both of New York City. **Bids**—To be received on Feb. 28 at noon (EST).

Grosset & Dunlap, Inc.
Jan. 23, 1961 it was reported that this firm is contemplating its first offering of common stock. **Business**—This is a publishing firm owned by Little Brown, Harper's, Random House, and Book Of The Month Club, with the last-named firm owning the largest interest. The prospective issuer owns Treasure Books, Wonder Books, and Bantam Books jointly with Curtis Publishing Co. **Office**—1107 Broadway, New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Guaranty National Insurance Co.
Jan. 25, 1960 it was reported that the company plans a Regulation "A" filing of 120,000 shares of common stock. **Price**—$2.50 per share. **Business**—Fire and casualty insurance. **Proceeds**—General corporate purposes. **Underwriter**—Copley & Co., Colorado Springs, Colo. **Registration**—Expected by mid-February.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

★ Heath (D. C.) & Co.
Feb. 8, 1961 it was reported that registration is expected in March for an undetermined number of common shares (par $100), of which part would be offered for the account of the company and part for selling stockholders. **Business**—Publishes and sells textbooks for schools and colleges. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

● Industrial Control Products, Inc.
Jan. 24, 1961 it was reported that the company plans to file 165,000 shares of 10¢ par class A stock. **Price**—$3 per share. **Business**—The design and manufacture of control systems and subcontracted precision machining. The firm has recently begun to make double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. **Proceeds**—For expenses of semiconductor production, research and development, advertising and selling, inventory, and general funds. **Office**—78 Clinton Road, Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., 99 Wall Street, New York 5, N. Y. (managing).

● Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected in late February.

Continued on page 40

Continued from page 39

● Interstate Power Co.
Feb. 6, 1961 it was reported that this company plans to sell $9,000,000 of bonds and 200,000 shares of common stock in May. **Office** — 1000 Main Street, Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler.

● Iowa-Illinois Gas & Electric Co.
Feb. 7, 1961 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to sell $10,000,000 to $15,000,000 of first mortgage bonds in the second quarter of 1961. The 1961 construction program is estimated at $18,000,000. **Proceeds** — To repay bank loans and for construction. **Office** — 206 E. 2nd St., Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glore, Forgan & Co. and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly).

Japan Telephone & Telegraph Corp.
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Kidder, Peabody & Co. **Offering**—Expected in the Spring of 1961.

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

Lanvin Parfums, Inc.
Jan. 24, 1961 it was reported that this perfume firm is contemplating its first public financing, to consist of an issue of about $6,000,000 of common stock. **Office**—767 Fifth Avenue, New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

● Long Island Lighting Co.
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

Louisville & Nashville RR. (3/7)
Jan. 24, 1961 it was reported that this company plans to to sell about $7,785,000 of equipment trust certificates due March 15, 1962-76. **Proceeds** — To buy additional freight cars. **Offices**—9th Street and Broadway, Louisville 1, Ky., and 71 Broadway, New York, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on March 7 at noon (EST).

Macroso Lumber & Trim Co., Inc.
Dec. 20, 1960, it was reported that this company plans a public offering of about 500,000 common shares (par $1) in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paint & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Avenue, Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City, N. Y.

Massachusetts Electric Co.
Jan. 24, 1961 it was reported that the SEC has approved the merger of six subsidiaries of New England Electric System into Worcester County Electric Co., also a subsidiary. Latter will change its corporate name to Massachusetts Electric Co., and issue about $17,500,000 of first mortgage bonds due 1991. **Offices**—939 Southbridge St., Worcester, Mass., and 441 Stuart St., Boston, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Offering**—Expected in May.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Michigan Consolidated Gas Co.
Jan. 11, 1961 it was reported that this company plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds**—To repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: White, Weld & Co.; Lehman Brothers; and Halsey, Stuart & Co. Inc.

Michigan Wisconsin Pipe Line Co.
Jan. 10, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds** — For construction. **Office** — 500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mississippi Business & Industrial Development Corp.
Nov. 28, 1960 it was reported that the company will issue $1,000,000 of $10 par common stock, of which $500,000 will be subscribed for by utility companies and $500,000 will be sold to business and industry and the general public. **Business**—To assist via loans, investments, and other business transactions, in the location and expansion of businesses in Mississippi.

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

Monroe Mortgage & Investment Corp.
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None. **Registration**—Expected by mid-February.

● Montana-Dakota Utilities Co.
Feb. 6, 1961 it was reported that this company is negotiating for the sale of $5,000,000 of preferred stock ($100 par). **Proceeds**—$3,000,000 will be used to repay bank loans and $2,000,000 will be added to working capital. **Office** — 831 Second Ave., South, Minneapolis, Minn. **Underwriter** — A previous preferred issue was underwritten on negotiated basis by Blyth & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

● Monticello Lumber & Mfg. Co.
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City. **Registration**—Expected shortly.

Morton Foods, Inc.
Jan. 27, 1961 it was reported that about 175,000 shares of this company's common stock will be offered publicly in April. About 10% will be for selling stockholders and the balance for the company's account. **Price**—Approximately $12.50 per share. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas, Tex. (managing).

National State Bank of Newark (N. J.)
Jan. 10, 1961 stockholders approved the plan to offer holders of record on or about Jan. 26 the right to subscribe to 40,000 additional shares of capital stock (par $12.50) on the basis of one share for each 15 shares held, after giving effect to a 7.14% stock dividend. Rights will expire about Feb. 13. **Price**—$52 per share. **Proceeds**—To increase capital and surplus. **Office**—Newark, N. J. **Underwriter**—None.

Nedick's Stores, Inc.
Feb. 1, 1961 it was reported that a filing of approximately 185,000 shares of common stock will be made soon. **Office**—513 W. 166th Street, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Registration** — Expected by mid-February. **Offering**—Expected by mid-March.

New England Power Co.
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

New Orleans Public Service, Inc. (5/25)
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Offering** — Expected May 25.

Northern Fibre Glass Co.
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

● Northern Illinois Gas Co.
Feb. 8, 1961 it was reported that this company plans to raise about $25,000,000 of new money in 1961. The type of security to be sold has not been determined but it is thought that it might be common stock which would be sold in the late Spring to stockholders through subscription rights. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—To be named. The last rights offering in April 1954 was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City.

Northern States Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Offering**—Expected in August.

One Maiden Lane Fund, Inc.
Feb. 1, 1961 it was reported that registration is expected later this month of 300,000 shares of common stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nichols & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

Orange & Rockland Utilities, Inc. (4/20)
Jan. 6, 1961 it was reported that this company plans to sell $12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
Jan. 30, 1961 it was reported that this company, controlled by American Tel. & Tel. Co., plans to form a new subsidiary to operate in Washington, Oregon and Idaho. The new concern will acquire the business and properties of the present operating division, known as Pacific Telephone-Northwest, established in February 1960. All of the stock of the new company will be issued to Pacific Telephone, but "as soon as practicable" it will be offered for sale to Pacific Telephone shareholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A T & T, which owns over 90% of the outstanding stock, exercised its rights to subscribe to its prorata share of the offering.

★ Packard Instrument Co.
It was reported on Feb. 8, 1961 that this firm will file 100,000 shares of common stock (par $1). **Business**—Manufactures scientific instruments. **Office**—La Grange, Ill. **Underwriter**—A. G. Becker & Co., New York City. **Registration**—Imminent.

● Panhandle Eastern Pipe Line Co.
Feb. 6, 1961 it was reported that $65,000,000 of debentures are expected to be offered about mid-1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Pennsylvania Electric Co.
Jan. 24, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year first mortgage bonds and $12,000,000 of debentures. **Office** — 222 Levergood St., Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Offering**—Expected in May or June.

Pennsylvania Power Co.
Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of $878,000 of first mortgage bonds, 3¼% series, due 1982. **Proceeds**—For sinking fund purposes. **Office** — 19 E. Washington St., New Castle, Pa. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.;

Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

Peoples Gas Light & Coke Co.
Jan. 10, 1961 it was reported that this company plans to sell about $35,000,000 of first mortgage bonds in 1961. **Proceeds**—To retire maturing bonds and for construction. **Office**—122 So. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp.

• Portland Terminal Co. (2/13-17)
Jan. 16, 1961 it was reported that the ICC exempted from competitive bidding, a proposed offering by company of $9,850,000 first mortgage bonds due February 1, 1986. **Proceeds**—The company will use $9,350,000 of the proceeds to pay at maturity $9,350,000 of first mortgage bonds due July 1, 1961. The balance of $500,000 will be paid to Maine Central RR., parent, for 7.098 miles of road acquired. **Office**—222 St. John Street, Portland, Maine. **Underwriter**—Coffin & Burr, Inc., Boston, Mass.

Power Chem Industries
Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The company is in the process of organizing and will manufacture additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office** — 645 Forrest Ave., Staten Island, N. Y. **Underwriter** — Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y. **Registration** —Indefinite.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

Public Service Electric & Gas Co.
Jan. 16, 1961 it was reported that this company expects to spend $150,000,000 on capital improvements in 1961, but has not made definite plans for the financing that will be required. However, it is possible that the company may sell common stock if market conditions are favorable. **Office**—80 Park Place, Newark, N. J. **Underwriter**—The last sale of common stock on Dec. 15, 1959 was handled by Merrill Lynch, Pierce, Fenner & Smith Inc., and associates.

Radiation Applications, Inc.
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

Rochester Gas & Electric Corp.
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

Second National Bank of New Haven
Jan. 30, 1961 it was reported that stockholders have voted to increase the authorized stock to provide for sale of 13,230 shares of capital stock (par $12.50) to stockholders on the basis of one share for each 10 shares held of record Jan. 24. **Price**—$42.50 per share. **Proceeds** — To increase capital. **Office** — 135 Church St., New Haven, Conn. **Underwriter**—None.

• Sierra Pacific Power Co.
Jan. 25, 1961 it was reported that this company expects to sell about $6,000,000 of bonds and common stock in 1961 or 1962. **Proceeds**—For construction. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). The last sale of common stock was made to stockholders on March 14, 1960 without underwriting. **Offering**—Expected in May.

Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

Southern Bell Telephone & Telegraph Co. (3/21)
Jan. 24, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell about $70,000,000 of debentures. **Proceeds**—To refinance $70,000,000 of 5½% debentures due 1994 issued on Oct. 21, 1959 at the highest interest rate in the company's history. **Office** — 67 Edgewood Ave., S. E., Atlanta 3, Ga. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Morgan Stanley & Co., both of New York City. **Bids**—To be received on March 21.

Southern California Edison Co. (4/4)
Jan. 20, 1961, J. K. Horton, President, stated that the company will require about $60,000,000 of new financing in 1961. Earlier, the company announced plans for the sale of $30,000,000 of first and refunding mortgage bonds, series N, due 1986. **Proceeds**—To retire short-term debt and for construction. **Office**—601 West Fifth St., Los Angeles 53, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Dean Witter & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., all of New York City. **Bids**—To be received at the company's Los Angeles office on April 4, 1961 at 8:30 a.m. (PST).

Southern Electric Generating Co. (6/15)
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co., both in turn controlled by The Southern Co., plans the public sale of $27,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Southwestern Public Service Co.
Jan. 19, 1961 it was reported that in March, 1961, the **company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. Office—720 Mercantile Dallas Building, Dallas 1, Texas. Underwriter—Dillon, Read & Co., Inc.**

Spiegel, Inc.
Jan. 17, 1961 it was reported that financing is being considered for this year, but details have not been decided upon. **Business**—The company is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—To be named. The last sale of securities consisted of $15,417,500 of 5% convertible debentures, due 1984, which were sold to stockholders through subscription rights in June 1959. The offering was underwritten by Wertheim & Co., New York.

• Swift & Co.
Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to $35,000,000 of convertible debentures, and to increase authorized common from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds**—For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—To be named. The last issue of debentures in October 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

Traid Corp.
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Transcontinental Gas Pipe Line Corp.
Jan. 17, 1961 it was reported that this company plans to spend $100,000,000 to expand its pipeline system, which brings natural gas to the New York City area. It was stated that the company expects to raise up to $50,000,000 this spring, by the sale of bonds, debentures or preferred stock. The type of securities offered will depend on FPC approval and the successful completion of a court case now in progress. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—To be named. The last sale of bonds in April 1960 was handled by White, Weld & Co., and Stone & Webster Securities Corp., both of New York City.

• Tronomatic Corp.
Dec. 20, 1960, it was reported that a letter of notification consisting of 65,000 shares of common stock will be filed for the company. **Price**—$4 per share. **Proceeds**—For new product development and sales promotion. **Business**—The manufacture of plastic forming, molding and fabricating equipment. **Office** — 25 Bruckner Blvd., Bronx, N. Y. **Underwriter** — Plymouth Securities Corp., New York City. **Registration**—Expected about mid-February.

• Trunkline Gas Co.
Feb. 6, 1961 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered about mid-1961. **Office** — 120 Broadway, New York City. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961. **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter** — To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Virginia Electric & Power Co. (6/13)
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (EST).

Waldorf Auto Leasing Inc.
Jan. 16, 1961 it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock. **Price** — $3 per share. **Proceeds** — For general corporate purposes. **Office** — 2015 Coney Island Ave., Brooklyn, N. Y. **Underwriters**—Martinelli & Co., 79 Wall St., V. K. Osborne & Sons, Inc., 40 Exchange Place, First Atlantic Securities Co., 160 Broadway, New York City. **Registration**—Expected by late February.

Washington Natural Gas Co.
Jan. 16, 1961 it was reported that this company may raise about $4,000,000 in the spring of 1961 through bank loans, or a public offering of securities. **Office** — 1507 Fourth Ave., Seattle, Wash. **Underwriter**—The last public offering comprising common stock, was made in September 1958 through Dean Witter & Co., San Francisco.

Western Reserve Life Assurance Co. of Ohio
Jan. 30, 1961 it was reported that stockholders are to vote at the annual meeting in April on increasing authorized stock to provide for sale of about $1,250,000 of additional common to stockholders through subscription rights. **Proceeds**—To increase capital funds. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters**—McDonald & Co. and Ball, Burge & Kraus, Cleveland.

Western Union Telegraph Co.
Jan. 16, 1961 it was reported that this company filed a plan with the FCC to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000. **Office**—60 Hudson St., New York City. **Underwriter** — American Securities Corp. (managing).

Winter Park Telephone Co.
Jan. 5, 1961 it was reported that this company plans to sell about 33,000 additional common shares to stockholders on the basis of one new share for each three shares held. **Price**—About $40 per share. **Proceeds**—For expansion. **Office** — 132 East New England Avenue, Winter Park, Fla. **Underwriter** — None. **Registration** — Expected about March 15.

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters** —The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

Research Pharmaceuticals And the Industry's Growth

Continued from page 13

petroleum can top our percentage, and it gets five times as much of its funds from the government as we do.

Drug Prices

During the period of the pharmaceutical industry's greatest expansion there has been a substantial amount of inflation. This has tended to make the growth of our economy look greater than it actually has been. Is this true in the case of our industry? How much of our expansion, as measured by dollars, is real and how much of it is imaginary—in other words, just due to price increases?

One of the miracles of the drug industry is that we have been able to achieve growth without inflation. In fact, we have not only not raised the general level of our prices, we have actually lowered them.

Dr. John M. Firestone, Professor of Economics of the City College of New York, has recently constructed and published an Index of Wholesale Prices for Ethical Prescription Pharmaceuticals. This new index measures the price changes for over 200 prescription drugs during the decade from 1949 to 1959. The prices measured are the prices paid by pharmacies for specialty drugs used in filling prescriptions.

Professor Firestone's index shows that during a decade when wholesale prices for all commodities measured by the Bureau of Labor Statistics rose 20%, the wholesale prices of specialty prescription drugs fell 7%. This, I submit, is a remarkable achievement.

Dr. Jules Backman has described this achievement rather succinctly. "If drug prices had risen as much as other prices since 1939," he says, "it would cost the consumer at least another billion dollars to buy the drug preparations now consumed." [Ed. note: cf. *Chronicle* for full text of Dr. Backman's article.]

All these contributions to national growth, however, are probably overshadowed by a single one that is unique to our industry. This is the contribution we have been able to make to human capital through better medicines to cure or control disease.

Can Pain Be Measured?

Because of our Judeo-Christian traditions, we are inclined to think of health mainly in humanitarian terms. Who can measure the value of relief from pain? But sickness and premature death are also economic losses to both the individual and the society and better health is an economic gain. Our economy has reached its present plateau and will progress in the future because of additions to our human capital as well as those to our physical capital. The Soviet Union has dramatized this point through its emphasis on better health and education, the two chief components of human capital.

Though it is clear that new drugs have contributed materially to the productivity of every industry by reducing the absenteeism due to illness, no one has yet measured the economic value of changes in the health level of the U. S. population. But attempts have been made to put a dollar sign on a few of the pieces of this vast puzzle.

In the twenty years from 1937 to 1957, the death rate in this country was cut 15% and a whole decade was added to the length of the average American's life. This has been due in large measure to new drugs—particularly the antibiotics — and to steady improvements in all phases of medicine.

The National Health Education Committee estimates that this drop in mortality has saved over 3,800,000 productive lives, the number of persons of working age who would have died in the 20-year period, had the 1937 death rate prevailed. It has also translated this saving into dollars and come up with the calculation that about $7.6 billion in additional income was earned in 1957 by the people whose premature death was averted.

More significant than even this contribution to economic growth have been the great strides medicine has made in the prevention and control of non-fatal illnesses. Disability due to disease steals far more from the national purse every year than does premature death.

Rheumatoid arthritis is just such a disease. It kills very few people. Instead, it threatens most of them with permanent disability—or it used to before the discovery of cortisone. Because cortisone was synthesized in a pharmaceutical company laboratory and because all of its derivatives were discovered by scientists working for the drug industry, it is fair to give a substantial part of the credit for the economic gains from the cortical steroids almost directly to our research.

My own company has made an attempt to measure the economic contribution of cortisone and its derivatives in the case of rheumatoid arthritis, which afflicts between three and four million people in the United States, striking them down, in most cases, at the prime of their lives. In the pre-cortisone days, when this disease finally burned itself out, it often left behind a permanent cripple. The cortical steroids have made it possible to arrest this form of arthritis before it could inflict irreversible damage.

Nine leading groups of investigators studied a total of 627 patients suffering from the disease to try to measure the improvements brought about by these new drugs. Before using steroids only 30% of these patients could lead normal lives. As a result of treatment, a third more of them, or a total of 64%, could do so.

If we take the most conservative estimate of the number of people afflicted with rheumatoid arthritis, which is 3,000,000, one-third of them would be 1,000,000. This means that a million Americans, who would otherwise be a burden on society, can now be restored to productive lives by the steroids.

If this has increased the production of income and saved in the cost of care an average of only $1,000 per person a year, the potential annual contribution of cortisone and its derivatives to the national economy can be estimated at a billion dollars.

Let us stop for a moment and compare this figure—a $1 billion annual contribution by a single drug and its derivatives—with the figure I discussed above for the domestic sales of all ethical drugs for human consumption, which last year totaled just short of $2 billion. This means that the cortical steroids alone have boosted the nation's economic growth by an amount equal to half the sales of the entire industry. It seems to me we are giving our society quite a rate of return on its money.

Economic Cost of Disease

The most thorough study of the economic consequences of disease that I have run across is one done by Dr. Burton A. Weisbrod, an economist at Washington University in St. Louis. His book on this subject, "The Economics of Public Health," will be published late this year by the University of Pennsylvania.

Dr. Weisbrod has attempted, with great skill and care, to measure the cost of three diseases—cancer, polio and tuberculosis. His system is too complicated to go into here, but let me say briefly that he has measured the cost of treatment, the amount of lost earnings during sickness and the value of future earnings that were lost due to premature mortality. Incidentally, he has put a dollar value on the lives of females as well as males. The figures on women seem quite sound, but they would give very little comfort to any man who is convinced that his wife's housework is worth little to him in dollars and cents.

According to Dr. Weisbrod's calculations, the loss to our economy from death, illness and treatment for cancer alone amounted to about two and a quarter billion dollars a year in 1954. In financial terms alone, this is what medical and pharmaceutical research could do for economic growth, if it discovers a cure for cancer.

I pointed out at the beginning of this paper that we can expect the research revolution to send a real flood of new materials, new products and new ways of doing things into the market place later in the sixties. The timing will be governed by the number of years it takes for the boom in research expenditures to pay off in the form of discoveries and, in turn, for American industry to turn these discoveries into marketable products. The more fundamental the research, the more fundamental the discoveries we can expect and the longer the lead time from a new research dollar to a new dollar of sales.

When the results reach the market place, it should be quickly apparent that organized research has become the most dynamic economic force of the decade. It should not only help rescue us from the current doldrums of business but it should have a profound impact on the future rate of our economic growth.

Ever since 1900 we have been growing at an average of 3% a year. Our gross national product today is about $500 billion. If our economy grows this year at the historic rate of 3% we should add $15 billion to the GNP. I predict that during the coming decade organized research will so boost that growth rate that we will have a $750 billion economy by 1970 and be growing in dollars at least twice as fast as we are now. This is based on a conservative estimate that we will then be growing at only 4% a year. And the dollars I am talking about are real dollars — in other words, growth without inflation.

Will the research boom be just another boom with a bust at the end? That depends. Research and development expenditures by American industry have expanded in recent years because corporations learned that they could make a profit out of systematized discovery. They have been able to do this for the simple reason that in this country we have had strong patent and trademark laws.

Let me illustrate. Suppose a small company, trying to grow as big as its competitors, risks a sizeable sum on research, hoping to find a really new product. Suppose, after three or four years of frustration, its scientists finally hit a home run. Then follows another period of perhaps three or four years of testing, pilot plant production, market studies, initial consumer tests, sales training, national advertising and large-scale manufacture.

Six or eight years after the original research investment, the new product is fully launched. It is an immediate success. Now suppose this invention were not protected by patent and trademark laws. What would happen then? Once the product was a success, this company's big competitors—who had none of the six to eight years of development expense—would steal the idea, and, using their superior financial resources, flood the market with imitations at a lower price, driving the creator to the wall. How long would industrial research last under these conditions?

Importance of Patents and Trademarks

As research and development spending mounts in the coming years — and McGraw-Hill estimates it will rise from $12 billion last year to $22 billion in 1969, competition between laboratories will push up the rate of product obsolescence. This is what has already happened in the pharmaceutical industry. So I speak from vivid experience when I state that the shorter the life of a discovery in the market place, the more dependent its industrial creator becomes on the protection of patents and trademarks. If government should weaken this protection, it would immediately reduce the rate of return on the research dollar. This would dry up the research boom at its source.

Such an event would be a disaster for us both at home and abroad. It would slow up our domestic rate of growth and eventually cut us out of foreign markets. As our industrialized competitors in other countries have learned to copy our mass production methods, they have been able to use their lower wages to sell standard goods at lower prices and squeeze us out of many of the world markets. This trend will continue.

To replace the lost advantage of mass production, we have been developing a new way for our world trade to grow. American industry's unparalleled research establishments is our ace in the hole. No other country can begin to match it. Even the Soviet Union, which is up to us in several branches of basic science, as well as in rocketry and space travel, cannot compete. Its research is not powered by industry, nor is it built, as ours is, around the planned discovery of things that people want.

Criticizes Foreign Piracy

The ability of our research laboratories to turn out new things that people want is opening up fresh markets for the United States all over the world. The drug industry is one of the leading pioneers in this development. But all this would come to an abrupt end if the protection of patents and trademarks were chiseled away, either here or in foreign countries. Eventually the research boom itself would turn into a research bust.

In view of this, let me call attention to a rather shocking event that occurred in Washington early in September. To understand it fully, I have to give a little background.

Most of the countries of the world have their own patent laws. An American manufacturer can get protection under these laws for the products of his research. In the case of drugs, there is a glaring exception to this rule: Italy.

For some years now, certain Italian pharmaceutical companies have been taking advantage of this situation. They copy new U. S. drugs, sometimes even before they are put on the market. They then sell them wherever they can get around the patent laws of other countries, undercutting our price, of course, because they have had to bear none of the original research and development expense. Let us call this by its right name. It is piracy, pure and simple.

Even though our government knows this, it recently started buying drugs that were discovered and patented in the United States from the Italian manufacturers who copied them, thus aiding and abetting this piracy and undercutting American research. When this reprehensible practice was criticized at the Senate hearings the other day by a representative of our industry, he was silenced by Senator Kefauver, who said, "We are not going to be used as a forum to disparage scientists of a friendly nation."

Apparently in Senator Kefauver's book, Italian pirates become scientists of a friendly nation of whom he will brook no criticism. At the same time, he has no compunction about inviting a parade of witnesses to disparage the brilliant achievements of our own scientists whose discoveries the Italians have pirated. It is difficult to find the proper adjective to describe this way of cutting the heart out of American research.

This is a fairly glowing picture I have been painting here of the prospects of what economist Leonard Silk calls "this new growth force of systematized innovation" in his forthcoming book, "The Research Revolution." There is some danger that it is too glowing a picture; that we shall accept R & D as the new saviour that will rescue us from the perils of the age.

It would be nice if we could relax and let the gentlemen in white coats take care of the future of freedom in their laboratories. But let us remember that the Russians have gentlemen in white coats, too, and they are training them at a faster rate than we. They have long been operating on the assumption that human capital—in the form of skilled, educated and healthy people — is a more effective weapon with which to conquer the world than all the slogans of communism, plus the Red Army.

The era of the easy way out for America has gone for good. There is harder work ahead for us—for all of us—than we have ever known.

***An address by Mr. Connor before the Federal Wholesale Druggists' Association, White Sulphur Springs, West Virginia.**

Business Cap. Corp. Com. Stk. Offered

Five hundred thousand shares of the common stock of Business Capital Corp. are being offered by an underwriting group managed by Blunt Ellis & Simmons, of Chicago, in association with Cruttenden, Podesta & Co. and Hornblower & Weeks. The stock is priced at $10 per share.

The company was organized under Illinois law last October as a closed - end non - diversified management investment company.

The net proceeds will be used to provide equity capital, long term funds, and consulting and advisory services to small business concerns.

Polysonics Inc. Common Marketed

Pursuant to a Feb. 6 offering circular, Polysonics, Inc., of 480 Lexington Ave., New York City, publicly offered 70,000 shares of its 1 cent par common stock at $3 per share. The offering was underwritten by M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing), in association with Karen Securities Corp. and Selected Investors, Inc.

The company, which was formed last July, will act as theatrical producers and will produce jazz festivals, concerts, records, and commercial films. It also plans to enter the development and merchandising of a new commercial color sound process for industrial and commercial advertising.

The proceeds will be used for working capital.

In Securities Business

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, MINN.—North Central Financial Planning Corporation is engaging in a securities business from offices at 335 Minnesota St.

Texas Gas Stock Offered

Dillon, Read & Co. Inc. heads an underwriting group which is offering today (Feb. 9) a new issue of 300,000 shares of Texas Gas Transmission Corp. common stock at $37.25 per share.

Net proceeds from the sale of these shares are to be used to pay part of the cost of the corporation's 1961 expansion and construction program. The program is estimated to cost $27,000,000, of which approximately $17,000,000 represents the estimated cost of new facilities which will increase daily delivery capacity by 50 million cubic feet to meet projected requirements of certain existing customers for the winter heating season of 1961-1962. The balance represents the estimated cost of the corporation's new general office building in Owensboro, Ky. ($4,500,000) and estimated expenditures in expanding the corporation's underground storage facilities ($3,900,000) and for normal additions to its pipeline system ($1,600,000).

The corporation owns and operates a natural gas pipeline system extending from the Louisiana-Gulf Coast area to Ohio with a daily delivery capacity allocated to customers which will have been increased to 1,513 million cubic feet by the 1961-1962 heating season, assuming completion of the current expansion program is on schedule. Approximately 46% of the corporation's total sales are made to 67 public utility distributors serving communities in Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Illinois, Indiana and Ohio; 35% to Texas Eastern Transmission Corp. and Ohio Fuel Gas Co. for resale in the Appalachian area; 8% to American Louisiana Pipe Line Co. for resale to the Detroit and Milwaukee areas, and the remaining 11% are primarily direct sales to industrial customers and intrastate sales for resale. Texas Gas Exploration Corp., a subsidiary of Texas Gas Transmission Corp., as of Sept. 30, 1960 had estimated net reserves of approximately 115 billion cubic feet of natural gas and approximately 9.6 million barrels of oil and condensate.

Plated Wires Stock Offered

Pursuant to a Dec. 30 offering circular, J. B. Coburn Associates, Inc., 55 Broadway, New York 6, N. Y., publicly offered 75,000 shares of Plated Wires & Electronics, Inc. common stock at $4 per share.

Plated Wires is a Delaware corporation, having been incorporated on Aug. 26, 1959. The company has never, prior to this offering, publicly offered any of its stock. All of the present financing is exclusively for the account of the company, and the net proceeds, estimated at $235,000, will be used for general corporate purposes.

The company is engaged in the manufacture and sale of tinned and plated wires, drawn wires, electrical conductor wire, and special wires for high temperature controls. The company acts as an intermediate mill furnishing wires, which, when insulated, may be used for almost every purpose in connection with electric or electronic controls. The company also manufactures solenoids for the printer of the computer system.

Milwaukee Co. Now American Exch. Member

MILWAUKEE, Wisc. — The Milwaukee Company, 207 East Michigan Street, members of the New York and Midwest Stock Exchanges, has joined the American Stock Exchange as an associate member, it was announced by Joseph T. Johnson, President.

He said the new seat will be held by Harold A. Franke, Executive Vice-President and a director of the investment firm. Mr. Franke is also Secretary, Treasurer and director of Edgar, Ricker & Co., wholly-owned subsidiary of The Milwaukee Company which manages and distributes Wisconsin Fund, Inc.

Form Business Sales Co.

LOS ANGELES, Calif.—Business Sales Co. is engaging in a securities business from offices at 3924 Wilshire Boulevard. Officers are Charles Rubin, President; Jesse Blattel, Vice-President; and Minna Rubin, Secretary-Treasurer.

Goldman, Sachs Los Angeles Br.

LOS ANGELES, Calif. — Goldman, Sachs & Co., one of the country's major investment bankers and underwriters, and members of the New York Stock Exchange and other leading security exchanges, has announced the opening of a new office in Los Angeles, at 629 South Spring St. It is the tenth office of the firm which has its headquarters in New York City.

James D. Robertson will be resident partner of the Los Angeles office and Lewis J. Kaufman has been named manager.

Mr. Robertson joined Goldman, Sachs in 1943 and became a general partner in 1958. He has been in the firm's buying and syndicate departments and from 1951 has been a member of the business development department.

Mr. Kaufman joined Goldman, Sachs in 1953 and for the past five years has been an assistant to a partner in charge of sales.

He is former chairman of the education committee of the executive board of the Investment Association of New York and a member of the education committee of the New York Group of Investment Bankers of America.

Forms Dewhurst Associates

(Special to THE FINANCIAL CHRONICLE)

LA JOLLA, Calif. — Walter A. Dewhurst is engaging in a securities business from offices at 7531 Girard Avenue, under the firm name of Dewhurst & Associates.

Forms Income Inv. Co.

(Special to THE FINANCIAL CHRONICLE)

LONGVIEW, Wash. — Arthur J. Coney is engaging in a securities business from offices in the Bowers Building under the firm name of Income Investment Company. Mr. Coney was formerly local Manager for B. C. Morton & Co.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Speaker of the House Sam Rayburn won a bitter battle recently, but as a result he may lose a war.

Why he insisted on packing the House Rules Committee with two liberal Democrats is known only to the 79-year-old Texan, who apparently has been built up in Washington as a much bigger man than he is back in Bonham, Tex., from whence he hails.

The last time a major stacking job was attempted in the Nation's Capital was back in the days of the New Deal when President Franklin D. Roosevelt sought to pack the United States Supreme Court with jurists of his own choosing.

Fortunately for our country, Congress turned thumbs down on the Roosevelt packing proposal. Unfortunately for our country, the Democrats in the House, most of them liberals and ultra liberals, plus some Republicans paved the way for Mr. Rayburn to pack the Rules Committee.

Although Mr. Rayburn would be the last man in Congress to admit it, he is certain to lament in the months and years ahead what he has done.

Under the lash and all the pressure the Democratic leadership could muster, the House voted 217 to 212 to pack the committee. The count showed 195 Democrats and 22 Republicans voted to stack the committee. A total of 64 conservative Democrats, all but two of them from the South, and 148 Republicans voted against Rayburn.

The Committee's Role

The House Rules Committee controls the flow of bills to the floor for consideration after they have been reported out of the various committees.

Ever since 1935 the committee has been composed of 12 members. The two conservative Democrats on the committee, Chairman Howard W. Smith of Virginia, and the dean of the Mississippi delegation, Representative William M. Colmer, and four Republicans on the committee, have dominated the committee for a number of years.

However, the committee, although in the hands of conservatives, has not put a stranglehold on legislation that it did not personally like. The civil rights legislation, opposed by some members, was not stymied in the committee.

Today Mr. Rayburn and the Kennedy Administration is assured of control of all House committees which will pass on the welfare proposals President Kennedy will send to Congress. Chances are some of the programs will get through the House.

Yet, we doubt that either Speaker Rayburn and his New Deal Lieutenant, Representative John W. McCormack of Massachusetts and perhaps the Kennedy Administration, stopped to think of the spot they put dozens of members on who voted with them.

Numerous members who voted to satisfy the whims of Speaker Rayburn, now are going to have to vote against a great deal of the welfare state programs because of the squeeze they were put in.

Vote Differently

Many of the Democrats who voted with Rayburn to stack the committee will now have to reverse the field and vote against some of the welfare programs, because they do not want to be accused of being New Dealers. Some of them are likely to have the keenest opposition of their political careers next year when they come up for election.

Several Southern newspapers have published editorials expressing the hope that the voters of their areas would remember those who voted to pack the Rules Committee.

The Committee on Rules is a sensitive committee. Yet a simple majority of the House membership can always sign a petition known as a discharge petition — to dislodge any bill that may be before the Rules panel.

The fact is, this committee takes a great amount of pressure off the rank and file of members, both conservative and liberal. When a member of the House may be pressured from a group of constituents in behalf of a certain proposal, he can—as has been done down through the years — blame it on the House Rules Committee.

A member of the committee, many times through a session, hears from his colleagues whispered, off-record conversations: "Keep on holding up such and such bill. I'll have to vote for it if it comes to the floor."

Bitterness Engendered

It is safe to assume that had President Kennedy known fully the backstage bitterness that the packing proposal has created within the House membership, he would have nipped the showdown vote in the bud.

Mr. Rayburn seemed bent on carrying out his plan, regardless of the consequences. His own prestige was at stake, he told some persons. Two years from now when he comes up for election as Speaker for the 11th time, he will probably be elected but it will be surprising if he is elected unanimously again.

Sure, Mr. Rayburn has served as Speaker longer than any other man. But he has served long enough. He has now served his usefulness as Speaker.

He takes it as a personal grievance if some one votes against something that he wants passed. To show how personal he takes things into his own hand, he collared an independent Democrat at a party before the showdown vote. He knew that this particular Representative was against packing the committee.

Mr. Rayburn literally tore into this member. They were both guests of another Congressman. Obviously, it was ill-mannered for the Texan to have even brought up the subject at a social function.

Rayburn Refused Compromise

Six of Speaker Rayburn's own Democratic colleagues from Texas voted against his stacking plan, as did the lone Republican from that state. Only a majority of the Representatives from Texas and Louisiana, among the Southern states, voted with Mr. Rayburn.

The Speaker insisted on stacking the committee, even though Chairman Smith said publicly, and reiterated it in a speech on the floor of the House just before the vote, that he had given Mr. Rayburn assurances there would be no roadblock to the five Kennedy "must" proposals.

Mr. Smith, who has been elected 16 consecutive times to the House by Northern Virginians, said that while he is personally against the Kennedy proposals, he would not seek to delay them in committee, but send them to the floor for prompt consideration.

The average American does not realize the pressure that was on the members on both sides of the controversial packing issue. Three members, who voted to stack the committee—Representatives Brooks, of Louisiana; Bates, Republican, of Massachusetts, and Mathias, Republican, of Maryland, said they received at least 1,000 messages and calls during the week.

Several Cabinet members are known to have made telephone calls to Capitol Hill trying to persuade the members from their home states to rally to the side of Mr. Rayburn. The drama was intense and in doubt until the final dozen votes were recorded in the roll call.

It is more than 22 months before the House of Representatives elects another Speaker, and a lot of wounds will heal by then, but as of now Mr. Rayburn is esteemed not by many of his collegues who have always supported him.

[*This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.*]

"Don't worry about this being your first experience in buying stocks — it's my first experience in selling them!"

Kentucky Rev. Bonds Marketed

An issue of $39,000,000 Eastern Kentucky toll road revenue bonds on Feb. 2 was sold to a syndicate headed by Allen & Company; John Nuveen & Co. Inc.; B. J. Van Ingen & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; A. C. Allyn and Company, Inc.; and The Kentucky Company.

The offering consists of $21,200,000 of 4.80% term bonds due July 1, 2000 and $17,800,000 of $4\frac{1}{4}$%, $4\frac{1}{2}$% and $4\frac{3}{4}$% serial bonds due July 1, 1965-1985, inclusive.

The term bonds are priced at 100 and the serial bonds are priced to yield 3.50% to 4.60%.

The bonds are not redeemable by the Authority as a whole earlier than July 1, 1971, on and after which date they may be redeemed as a whole at prices ranging from 105% to 100%. The bonds are redeemable from the sinking fund on and after July 1, 1966 at prices ranging from 103% to 100%.

James R. Imhof With Frank Mohr

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—James R. Imhof has become associated with Frank J. Mohr Investment Securities, 454 Columbus Avenue. Mr. Imhof who has been in the investment business in San Francisco for many years was formerly with Pacific Coast Securities and prior thereto was San Francisco manager for Rex Merrick & Co.

COMING EVENTS

IN INVESTMENT FIELD

Feb. 10, 1961 (Boston, Mass.)
Boston Securities Traders Association annual winter dinner at the Statler Hilton Hotel.

Feb. 16, 1961 (Chicago, Ill.)
Investment Analysts Society of Chicago forum on economic methods.

Feb. 24, 1961 (Houston, Tex.)
Stock & Bond Club of Houston annual field day at the Champions Golf Club.

Feb. 24, 1961 (Philadelphia, Pa.)
37th Annual Mid-Winter Dinner in the Grand Ballroom of the Bellevue Stratford Hotel.

Feb. 27-28, 1961 (Pittsburgh, Pa.)
Association of Stock Exchange Firms, Winter meeting of the Board of Governors at the Hilton Hotel.

March 9, 1961 (Chicago, Ill.)
Investment Analysts Society Midwest Forum.

March 26-31, 1961 (Philadelphia)
Institute of Investment Banking, Wharton School of Finance & Commerce.

April 7, 1961 (New York City)
New York Security Dealers Association annual dinner at the Hotel Commodore.

April 12-14, 1961 (Houston, Tex.)
Texas Group Investment Bankers Association of America 26th annual convention at Shamrock Hilton Hotel.

April 21, 1961 (New York, N. Y.)
Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf Astoria.

May 1-3, 1961 (Philadelphia, Pa.)
National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

May 8-9, 1961 (St. Louis, Mo.)
Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.